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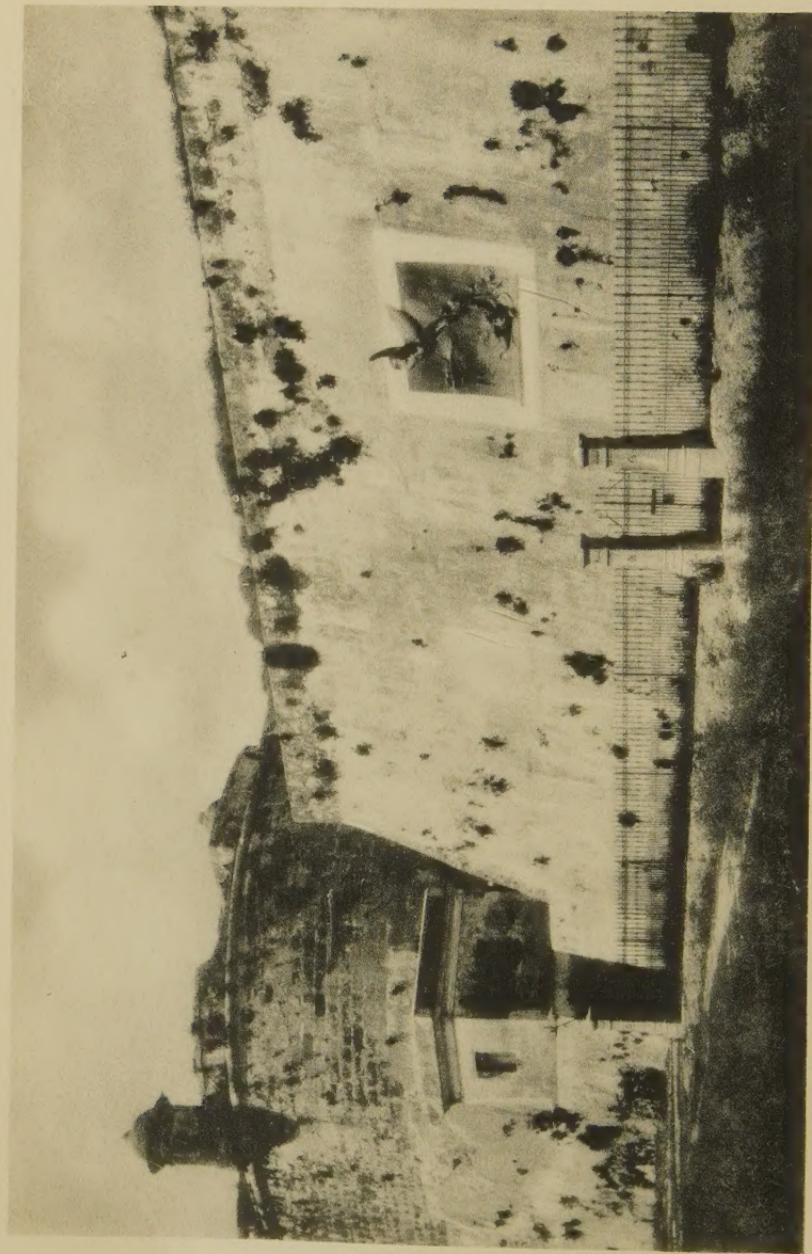
AMERICA

A NEW WORLD POWER

1890—1914



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THE DEADLINE IN CABANAS; HERE THE CUBAN PATRIOTS, KNEELING WITH THEIR FACES TO THE WALL, WERE SHOT BY SPANISH SOLDIERS

AMERICA

Great Crises In Our History
Told by Its Makers

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Volume X
A New World Power
1890—1914

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VETERANS OF FOREIGN WARS
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Veterans of Foreign Wars

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A NEW WORLD POWER

1890—1914

HENRY FORD AND THE AUTOMOBILE

By James Rood Doolittle

A *MOST* interesting and informative chapter in Doolittle's "Romance of the Automobile Industry" is the accompanying account of Henry Ford and the great part he has played in what has come to be the foremost American industry, in point of financial magnitude. The article is given here by permission of the publishers, *The Klebold Press, New York*.

Ford, the premier automobile manufacturer of the world, is credited with making, in 1893, the second gasoline car to be operated successfully in the United States—a car which "has been the strongest educational force the industry has produced."

In the Ford employ to-day—thirty-two years afterward—are 100,000 persons turning out 8,500 automobiles every twenty-four hours. Their employer has instituted a profit-sharing plan whereby \$10,000,000 has been distributed annually to employees, and has built for their free use a \$2,000,000 hospital.

THE name of Henry Ford is known and his personality is respected wherever civilized man dwells. As head of the company that has produced or has scheduled for current production something like \$700,000,000 of automobiles in eleven years, there can be no question about his rank in the industry. As the chief of 100,000 workmen, most of whom he developed from mere laborers to the grade of skilled mechanics, each deemed worthy of mechanics' wages but schooled to perform only a single operation, he has gained fame.

The world is interested in Henry Ford as a pacifist, educator and philanthropist, but the automobile in-

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dustry recognizes in Ford a scientist, a bulldog fighter and a manufacturer par excellence.

Ford invented and built with his own hands a two-cylinder, four-cycle gasoline car that ran at the rate of twenty-five miles an hour in the spring of 1893. That places him so close to the top of the list of American automobile inventors that there is a doubt as to exactly how he ranks. From the best data available as to his status in the list, he should be credited with making the second gasoline car that ran in the United States. Duryea certainly built and ran a car in 1893 and tried out his Buggyaut, commenced in 1891, quite extensively before the date of Ford's first car, but the weight of the testimony is that Ford was second.

He fought the Selden patent to a standstill, without proving anticipation of its claims.

His car has been the strongest educational force the industry has produced, because the ranks of motorists are increased from the bottom and Ford cars are the first cars purchased by entries into the motor field in a large percentage of cases. The array of 1,500,000 Ford cars and the service they have done needs no emphasis here.

Henry Ford and the Ford car are the best advertisements the automobile industry has enjoyed. Speaking broadly, their value to the rest of the industry is incalculable.

Of full medium height, Mr. Ford is slenderly built but sinewy as hickory. Equipped with meager pri-

mary schooling, he has taken all the degrees conferred by the University of the World.

There has been an immense amount of flub-dub written about Ford's hardships; his luck and his genius, but the only real hardship he ever had was that he chose to work hard. He was successful because he worked out an important problem at the right time and his genius may be described as the logical sequence of the hard work and success.

Ford's genius rests upon his ability and willingness to do an astounding amount of work. He made a monumental success because he did the work and expended the intelligent effort at the right time, and then kept right on expending intelligent effort until the whole world recognized it.

Ford was the eldest of three sons and three daughters, born to William Ford, native of Ireland but of English blood, who emigrated to this country and settled eight miles west of Detroit, Michigan, in 1847. The young Irish-English immigrant was a man of strong personality and was a steady and moderately successful farmer. He married Mary Litogot some years after reaching Michigan, and Henry Ford was born July 30, 1863.

A great storm of criticism and protest has been raised concerning the attitude of Ford toward war. Opinions may differ according to the partisanship of those who hold them, but the stern position assumed by Ford is perfectly clear and logical from his point of view. Hatred of war comes naturally to Henry

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Ford, for he was born to the sound of fife and drum. His mother listened to the tramp of armed hosts and heard the dismal music of the funeral bands; the wailing bugle call of "Taps" over the graves of fallen warriors. She saw an endless line of maimed men come back from the battle front and she gave to Henry Ford an inherited aversion to war that is as deeply ingrained in his being as it is possible for anything to be.

There is nothing in his attitude to show that he fears war—he simply hates it.

The boy Henry was a baby until the end of the struggle between the States, and his childhood was little different from that of the average farmer boy, where there is a measure of prosperity. For the father was not poor. The boy had enough to eat and wear and a comfortable home in which to live. He had to work hard and long as soon as he was able. But that is the lot of all farmer boys. He was no laggard and between the farm work and the rudimentary schooling he received, he found time to rig up a little shop on the farm where he had a vise, a lathe and a rude forge, as well as tool equipment of miscellaneous kinds. He fairly reveled in mechanics and sought out repair work, mostly for the love of the work itself rather than for any money returns that might result.

At sixteen, he was a slender but nearly full-grown man and had developed considerable skill in mechanical work. So much interested was the boy in this

line of industry that he and his father disagreed. Henry said he wanted to be a mechanic and his father insisted that he should be a farmer. The result was that Henry went to Detroit and got a job with Flower Brothers, general machinists and steam engine builders. He worked at night as a helper and laborer in the machine shop and gained a vivid conception of the application of machinery. At the end of nine months he secured a better position with the Dry Dock Company, a concern with a larger machine shop than Flower Brothers, and remained with his new employer for two years.

He had become interested in steam engines while still on the farm, and the part of farm work that he really liked was during the seasons when the farm required the service of steam engines. Ford was in his glory while serving as helper about the harvesting machines. When he was working in the Detroit machine shops he continued his interest in steam engines and did quite a lot of experimenting before he was nineteen years old.

Before his twentieth birthday, Ford left the Dry Dock Company and was employed as "road expert" by the Michigan state agent of George Westinghouse & Company, of Schenectady, New York, and put in several years in the service of that company, constantly in touch with the engine and constantly learning more about men and affairs.

His father never had become reconciled to Henry's defection from the farm, and considered it more or

less of a disgrace that his eldest son should work with his hands at anything besides agriculture, and in a final effort to "redeem" the young man from a life of that sort, he presented his son with a heavily "timbered forty" near the old farm.

Ford dutifully abandoned his job with the Westinghouse people and made a careful inspection of his landed estate. He found that the timber was of good quality and thereupon he rigged up a sawmill, cleared the land and marketed the lumber, spending some time in denuding the forty-acre lot.

Ford was a farmer with mechanical leanings in 1887, but his timbering operations had been moderately profitable, and he had fitted up a shop on his farm in which the first Ford car was built. He married Clara J. Bryant in 1887.

The first Ford was a steamer, designed to be run with a single-cylinder engine 2 by 2 inches from a boiler that developed from 250 to 400 pounds pressure per square inch. The car was never completed and was abandoned in 1889.

Ford gave up farming about the same time he abandoned work on his first car and removed to Detroit, where he got a job at \$45 a month for 12 hours' work a day with the Detroit Edison Illuminating Company. He was raised to \$75 a month in 90 days and was made chief engineer at \$100 and then \$125 per month, remaining with the company for seven years.

In the early days of his employment with the illu-

minating company he only worked 12 hours a day; thus leaving him 12 hours for labor at home. But when he was made chief engineer he was supposed to be on the job all the time. Of course the company did not require his presence all the time, and he was able to spend a few hours a day in work at home.

It was the time thus allowed Ford that he used to design and build the first Ford gasoline car. In his leisure (?) moments he constructed a two-cylinder, four-cycle water-cooled motor, in which the cylinders were placed side by side. The cylinders measured $2\frac{9}{16}$ inches in diameter by 6 inches stroke. He patiently constructed the running gear and the means for transmitting the power of the motor to the driving wheels and early in 1893 gave the car its road trial. The car was not a perfect automobile by any means, but it was a long step in advance of anything that had been seen in America up to that time. It ran swiftly and Ford made twenty-five miles an hour surely, perhaps as much as thirty.

While still connected with the illuminating company he started work on his second car in 1895, a two-cylinder, four-cycle motor measuring 4 by 4. This car was on the road in 1898 and performed very satisfactorily, considering the date and stage of development of the art at that period.

Ford organized the Detroit Automobile Company, a corporation capitalized at \$50,000, of which he owned one-sixth and was employed by the company as chief engineer at \$100 per month. The company

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built two or three cars, but in 1901 Ford left it and purchased a machine shop of his own nearby. The Detroit Automobile Company soon became the Cadillac Automobile Company, which has now developed into the Cadillac Motor Car Company, one of the largest motor car factories and one of the most successful in the world.

In 1902 Ford built a car of what is now considered standard gauge, 90-inch wheelbase driven by a double-opposed engine of two 4 by 4 cylinders, using his own resources, and then organized the Ford Motor Company, incorporated, with a capitalization of \$100,000. The first modern Ford car built by this company was on the road in June, 1903.

Ford owned 25½ per cent. of the stock of the original company, which was a commercial and financial success from the start. But he appreciated that his interest in the company was too small viewed from every standpoint he could assume, providing the enterprise had the qualifications for a great success and so he obtained \$175,000, and purchased 25½ per cent. more of the stock, making his holdings amount to 51 per cent. of the total. Soon afterward he paid 700 per cent. of its face value for 7½ per cent. more of the stock, making 58½ per cent. all told, which is the extent of his interest in the present vast company. Ford has a commanding interest in the Canadian and other subsidiaries and is one of the world's richest men.

The success of the company has been due to the demand for the automobile, which was supplied by Ford in a different way and on a larger scale than others. In detail, the system of sales which contemplates 90 per cent. of cash on delivery and 10 per cent. of factory branch business, has worked out profitably and efficiently. . . .

One of the little economies that mean millions introduced by Ford is the plan of saving on railroad freight. It was discovered that the shipment of completed cars from factory to distributor cost more than the shipment of parts and assembled units from the main source of production to certain assembly points, because completed cars are bulky in comparison with their weight and consequently take a higher classification in the estimate of the railroads. It was much cheaper to ship ten carloads of parts than ten carloads of cars, particularly when the parts would make many times the number of cars that could be packed into ten railroad freight cars. Consequently assembly plants were installed at various appropriate and convenient places and the finished parts are shipped to such plants and made up for the trade. This branch of the business is in addition to the activity of the great main plant at Highland Park, Detroit.

Luck, in the general sense of the term, has had little to do with his success and apparently Henry Ford does not believe that other factors besides hard, intelligent and successful work should form the basis of success in others.

THE OKLAHOMA RUSH

Contemporary Accounts

THESE two accounts of the opening of the Cherokee Strip in Oklahoma and the memorable "rush" of white settlers to stake out claims appeared in the New York "Tribune" September 17, 1893, in the form of letters from correspondents. The first is from Kildare, Oklahoma, the second from Arkansas City, Kansas. The "rush" here described was a repetition of one that had occurred in April, 1889, when vacant lands of the Creeks and Seminoles were opened to settlement under the United States homestead laws.

Despite the fact that the Cherokee Strip comprised an area of 6,000,000 acres, there was not nearly enough land to satisfy the hopes of the 100,000 or more men and women who engaged in the spectacular race. Other Indian lands, for which the Government had paid from fifteen to thirty cents an acre, were opened to settlement in 1901 and 1906. In the latter year Oklahoma and Indian Territory were combined and admitted into the Union as the forty-sixth State.

whole line. From this point the racers had three miles the start of all others. Directly south of this line were

WITH the sharp crack of a carbine in the hands of a sergeant of the Third Cavalry, followed by almost simultaneous reports from the weapons of the other soldiers stationed all along the line between Kansas and the Indian country, the greatest race ever seen in the world began to-day. It was on a race-track 100 miles wide, with a free field, and with a principality for the stake. From the rear of a special train filled with Santa Fé officials, the start from the south end of the Chilocco reservation was seen to better advantage than from anywhere else along the

the towns along the Santa Fé, which were the objective points for so many of the boomers. For a mile in the rear of the line, there was presented what appeared like a fine hedge fence, extending as far as the eye could reach along the prairie in both directions. But as the observer approached the fence it changed into a living wall.

Men and horses seemed in almost inextricable confusion until the line itself was reached, and then it was seen that every man, woman and horse had an allotted place and was kept in it by a law stronger than any act on the statute books—the compulsion exercised by a great body of free Americans, who were determined to have things just and right. The line was probably straighter than any that was ever formed by the starters on a race-course. The horse-men and bicycle-riders were to the front, while the buggies and the lighter wagons were in the second row, with heavy teams close in the rear. The shot sounded, and away they went, with horses rearing and pitching, and one unfortunate boomer striking the ground before the line had fairly been broken. Within three hundred yards the first horse was down, and died after that short effort. But the rider was equal to the occasion, and immediately stuck his stake into the ground, and made his claim to a quarter section of the finest farming land in the Strip.

It was perhaps the maddest rush ever made. No historic charge in battle could equal this charge of

free American people for homes. While courtesy had marked the treatment of women in the lines for many days, when it came to this race they were left to take care of themselves. Only one was fortunate enough and plucky enough to reach the desired goal ahead of nearly all her competitors. This was Miss Mabel Gentry, of Thayer, Neosho County, Kan., who rode a fiery little black pony at the full jump for the seven miles from the line to the town site of Kildare, reaching that point in seventeen minutes. It was a terrible drive from start to finish, but the girl and her horse reached the town. In the race the bicycle-riders were left far behind. The crispy grass of the prairie worked to their disadvantage. The men and women with buggies were also outdistanced and reached the town site after the best lots had been taken.

Thousands were disappointed after all the lots had been taken, and thousands went right on through the district without stopping. That the land was totally inadequate to the demand was made evident this evening, when the northbound train went through. Every train was almost as heavily loaded as when it came in this morning, and thousands of persons who returned brought tales of as many more persons wandering around aimlessly all over the Strip, looking for what was not there. The station platforms all along the line were crowded with people who had rushed in and who were now hoping for a chance to rush out. The opening is over, the Indian land is

given away, and still there are thousands of men and women in this part of the country without homes.

* * * *

WHEN at noon to-day the bars that have so long enclosed 6,000,000 acres of public land were let down, more than 100,000 men and women joined in the mad rush for land. Men who had the fastest horses rode like the wind from the border, only to find other men, with sorry-looking animals, ahead of them. Fast teams carrying anxious home-seekers were driven at breakneck speed, only to find on the land men who had gone in afoot. Every precaution had been taken to keep out the "Sooner" element, yet that same element, profiting by former experiences, had captured the land. All night the rumble of teams could be heard as they moved out to the strip. At the stations the men stood in line at the ticket office, awaiting the slow movements of ticket-sellers, who could not sell more than 2,000 tickets an hour. The great jam was at Orlando, where were gathered 20,000 citizens of Perry, all anxious for the time to come when they could start on their ten-mile race. From the elevation at Orlando the line could be seen for a distance of eight miles east and ten miles west. A half-dozen times some one would shout the hour of noon, and fifty to a hundred horsemen would draw out of the line, only to be driven back by the cavalry-men, who were patrolling the Strip in front of the impatient throng.

At last a puff of smoke was seen out on the plains

to the north, and soon the dull boom of a cannon was heard. A dozen carbines along the line were fired in response to the signal, and the line was broken. Darting out at breakneck speed, the racers soon dotted the plains in every direction. The trains were loaded rapidly. At first there was an attempt to examine the registration certificates; but this soon was given up, as the rushing thousands pushed those ahead of them, the trainmen giving all their time to collecting tickets. The first train of twelve cars pulled across the line at noon, crowded as trains never were before; even the platforms and roofs were black with human beings. Following this train at intervals of only two or three minutes went another and another until the last, composed of flat and coal cars, all crowded, had pulled across the line, followed by at least 3,000 disappointed, panting men who were determined not to be deprived of their rights. The run to Perry was made in three-quarters of an hour. Before the train stopped men began climbing out of the windows and tumbling from the platforms.

In their haste to secure claims ahead of the trains were at least 1,000 horsemen, who had come the ten miles from the line in unprecedently short time and who claimed all the lots immediately about the land office and the public well. They were rubbing down their weary horses when the trains were unloading. When the last of the trains pulled in the scramble for land about the town continued with increased vigor. The quarter-sections about the town had all

been taken, but in every direction lines were being run and additional towns laid out, to be called North Perry, South Perry, East Perry, and West Perry. By two o'clock fully 20,000 men and women, of all nationalities and colors, were on the site of what all hope will be a great city. They were without food and without water. The scenes at Enid were a repetition of those at Perry.

THE PANIC OF 1893

By *Alexander D. Noyes*

*NOYES, from whose "Forty Years of American Finance" this account is taken, by permission of G. P. Putnam's Sons, is a foremost historian of the industrial and financial life of America. As financial editor of the New York "Evening Post" from 1891 to 1920, he was in an admirable position to observe and report the panic of 1893. He wrote a *Free Coinage Catechism*, of which 2,000,000 copies were circulated in 1896, and various other monographs on the financial question.*

Unlike preceding and succeeding panics in this country, that of 1893 was the sequel to an orgy of reckless investments of American capital in foreign countries. The panic was hastened by the collapse of an important railroad company, and an industrial corporation that had been paying dividends illegally. Wrecked in the panic were 172 State banks, 177 private banks, 47 savings banks, 13 loan and trust companies and 16 mortgage companies.

banks to the West and South, and the Treasury obtained some gold from these institutions in exchange for notes delivered at interior points. But when the eastward flow of currency began again, at the end of

THE Treasury was confronted for the first time in its history with a heavy drain on its gold reserve to redeem outstanding notes. During nine months Secretary Foster was engaged in a continuous struggle to save the redemption fund. The strain relaxed temporarily in the autumn of 1892, when interior trade was again very large. Practically no gold was imported, but, on the other hand, exports ceased almost entirely. Moreover, upward of \$25,000,000 legal tenders were drawn from the New York

the harvest season, gold exports were resumed and with them the presentation of legal tenders for redemption. In December, 1892, and January, 1893, upward of \$25,000,000 gold was withdrawn by note-holders from the Treasury to provide for export needs.

By the close of January the Treasury's gold reserve had fallen to a figure barely eight millions over the legal minimum. With February's early withdrawals even larger, Secretary Foster so far lost hope of warding off the crisis that he gave orders to prepare the engraved plates for a bond-issue under the Resumption Act. As a last resort, however, he bethought himself of Secretary Manning's gold-borrowing operations of 1885. In February Mr. Foster came in person to New York to urge the banks to give up gold voluntarily in exchange for the Treasury's legal-tender surplus.

Such a situation could not continue long. The very sight of this desperate struggle going on to maintain the public credit was sufficient to alarm both home and foreign interests, and this alarm was now reflected everywhere. The feverish money market, the disordered and uneasy market for securities, and the renewed advance in foreign exchange, combined to bring matters to a head. On April 15, Secretary Carlisle gave notice that issue of Treasury gold certificates should be suspended. This action was taken merely in conformity with the Law of 1882, already cited. It was, however, public announcement that, for the first time since resumption of specie payments, the

reserve against the legal tenders had fallen below the statutory minimum.

The news provoked immediate and uneasy inquiry as to what the Treasury's next move would be. No definite advices came from Washington, but in the following week a very unexpected and financially alarming rumor ran through the markets. Out of the \$25,000,000 legal tenders redeemed in gold during March and April, 1893, nearly \$11,000,000 had been Treasury notes of 1890. Under one clause of the Law of 1890 the Secretary was empowered to "redeem such notes in gold or silver coin at his discretion." The burden of the rumor of April 17th was that the Treasury, now that its gold reserve had actually fallen below the legal limit, would refuse further redemption of these notes in gold, and would tender only silver coin. During the two or three days in which this rumor circulated, general misgiving and uneasiness prevailed, the security markets fell into great disorder, foreign exchange again rose rapidly, and the money market ran up to the panicky rate of fifteen per cent. . . .

The public mind was on the verge of panic. During a year or more, it had been continuously disturbed by the undermining of the Treasury, a process visible to all observers. The financial situation in itself was vulnerable. In all probability, the crash of 1893 would have come twelve months before, had it not been for the accident of 1891's great harvest, in the face of European famine. . . .

The panic of 1893, in its outbreak and in its culmination, followed the several successive steps familiar to all such episodes. One or two powerful corporations, which had been leading in the general plunge into debt, gave the first signals of distress. On February 20th, the Philadelphia and Reading Railway Company, with a capital of forty millions and a debt of more than \$125,000,000, went into bankruptcy; on the 5th of May, the National Cordage Company, with twenty millions capital and ten millions liabilities, followed suit. The management of both these enterprises had been marked by the rashest sort of speculation; both had been favorites on the speculative markets. The Cordage Company in particular had kept in the race for debt up to the moment of its ruin. In the very month of the company's insolvency its directors declared a heavy cash dividend; paid, as may be supposed, out of capital. As it turned out, the failure of this notorious undertaking was the blow that undermined the structure of speculative credit. In January, National Cordage stock had advanced twelve per cent. on the New York market, selling at 147. Sixteen weeks later, it fell below ten dollars per share, and with it, during the opening week of May, the whole stock market collapsed. The bubble of inflated credit having been thus punctured, a general movement of liquidation started. This movement immediately developed very serious symptoms. Of these symptoms the most alarming was the rapid withdrawal of cash reserves from the city banks. . . .

Panic is in its nature unreasoning; therefore, although the financial fright of 1893 arose from fear of depreciation of the legal tenders, the first act of frightened bank depositors was to withdraw these very legal tenders from their banks. But the real motive lay back of any question between the various forms of currency. Experience had taught depositors that in a general collapse of credit the banks would probably be the first marks of disaster. Many of such depositors had lost their savings through bank failures in the panics of 1873 and 1884. Instinct led them, therefore, when the same financial weather-signs were visible in 1893, to get their money out of the banks and into their own possession with the least possible delay, and as a rule the legal tenders were the only form of money which they were in the habit of using. But when the depositors of interior banks demanded cash, and such banks had in immediate reserve a cash fund amounting to only six per cent. of their deposits, it followed that the Eastern "reserve agents" would be drawn upon in enormous sums.

On the New York banks the strain was particularly violent. During the month of June the cash reserves of banks in that city decreased nearly twenty millions; during July, they fell off twenty-one millions more. The deposits entrusted to them by interior institutions had been loaned, according to the banking practice, in the Eastern market; their sudden recall in quantity forced the Eastern banks to contract their loans immediately. But in a market already strug-

gling to sustain itself from wreck, such wholesale impairment of resources was a disastrous blow. In the closing days of June, the New York money rate on call advanced to seventy-four per cent., time loans being wholly unobtainable. . . .

We have seen that the inflation of credit, during 1892, had been heaviest by far in the interior. The early withdrawals by depositors in the country banks were only a slight indication of what was to follow. In July, this Western panic had reached a stage which seemed to foreshadow general bankruptcy. Two classes of interior institutions went down immediately —the weaker savings banks, which in that section were largely joint-stock enterprises, and a series of private banks, distributed in various provincial towns, which had fostered speculation through the use of their combined deposits by the men who controlled them all.

In not a few instances, country banks were forced to suspend at a moment when their own cash reserves were on their way to them from depository centers. Out of the total one hundred and fifty-eight national bank failures of the year, one hundred and fifty-three were in the West and South. How widespread the destruction was among other interior banking institutions may be judged from the fact that the season's record of suspensions comprised 172 State banks, 177 private banks, 47 savings-banks, 13 loan and trust companies, and 16 mortgage companies. The ruin resulting in the seaboard cities from the panic

of 1893 was undoubtedly less severe than that of twenty years before. But no such financial wreck had fallen upon the West since it became a factor in the financial world.

During the month of July, in the face of their own distress, the New York banks were shipping every week as much as \$11,000,000 cash to these Western institutions. Ordinarily, such an enormous drain would have found compensation in import of foreign gold, and, in fact, sterling exchange declined far below the normal gold-import point. But the blockade of credit was so complete that operations in exchange, even for the import of foreign specie, was impracticable. Banks with impaired reserves would not lend even on the collateral of drafts on London.

So large a part, indeed, of the Clearing-House debit balances were now discharged in loan certificates that a number of banks adopted the extreme measure of refusing to pay cash for the checks of their own depositors. Charged with such refusal in the press and on the floor of the United States Senate, the banks simply intimated that they had not the money to pay out. This was not far from general insolvency. Long continued, a situation of the kind must reduce a portion of the community almost to a state of barter; and in fact a number of large employers of labor actually made plans in 1893 to issue a currency of their own, redeemable when the banks had resumed cash payments. On the 25th of July, the Erie Railroad failed, the powerful Milwaukee Bank suspended, and

the governors of the New York Stock Exchange seriously discussed a repetition of the radical move of November, 1873, when the Exchange was closed. The very hopelessness of the situation brought its own remedy.

Relief came in two distinct and remarkable ways. Large as the volume of outstanding loan certificates already was, three New York banks combined to take out three to four millions more, and this credit fund was wholly used to facilitate gold imports. At almost the same time, the number of city banks refusing to cash depositors' checks had grown so considerable that well-known money-brokers advertised in the daily papers that they would pay in certified bank checks a premium for currency. This singular operation virtually meant the sale of bank checks for cash at a discount. Checks on banks which refused cash payments were still good for the majority of ordinary exchanges, but they were useless to depositors who had, for instance, to provide large sums of cash for the weekly pay-rolls of their employees. Being unavailable for such purposes, the certified checks were really depreciated—like paper money irredeemable in gold. Through the money-brokers, therefore, these depositors paid in checks the face value of such currency as was offered, plus an additional percentage.

This premium rose from one and a half to four per cent., and at the higher figures it attracted a mass of hoarded currency into the brokers' hands. The expedient was not entirely new; it had been tried

under similar circumstances in the panic of 1873. But in 1893 it was applied on an unusually large scale, and it had the good result of helping to keep the wheels of industry moving. Its bad result was that it caused suspension of cash payments in the majority of city banks; for, of course, when a premium of four per cent. was offered in Wall Street for any kind of currency, it was out of the question for the banks to respond unhesitatingly to demands for cash by speculative depositors. Most of the banks cashed freely the checks of depositors where it was shown that the cash was needed for personal or business uses; but other applications they refused. . . .

Panic, in short, had ended, but not until the movement of liquidation had run its course. The record of business failures for the year gives some conception of the ruin involved in this forced liquidation. Commercial failures alone in 1893 were three times as numerous as those of 1873, and the aggregate liabilities involved were fully fifty per cent. greater. It was computed that nine commercial houses out of every thousand doing business in the United States failed in 1873; in 1893, the similar reckoning showed thirteen failures in every thousand.

THE WORLD'S COLUMBIAN EXPOSITION

By *E. Benjamin Andrews*

PRESIDENT GROVER CLEVELAND formally opened the great Exposition in Chicago, May 1, 1893, which celebrated the four hundredth anniversary of the discovery of America by Columbus. Inasmuch as Columbus landed in 1492, Vice-President Adlai Stevenson had formally dedicated the 150 buildings, over an area of 666 acres on the shores of Lake Michigan, on the exact four hundredth anniversary date, October 21, 1892.

As Dr. Andrews records in his "History of the Last Quarter-Century in the United States," from which this account is taken, by permission of Charles Scribner's Sons, the Exposition was authorized by Congress in 1890 and the work was carried through at unprecedented speed, thanks to the employment of a mixture known as "staff" in the construction of the "White City." Chief among the architects were Daniel H. Burnham and Richard Morris Hunt. Twelve million different individuals attended the Exposition.

Chicago's energies with such success that on appearing before Congress she had \$5,000,000 in hand and could promise \$5,000,000 more. The commodiousness of

THE idea of celebrating Columbus's discovery of the New World long anticipated the anniversary year. New York was appealed to as a suitable seat for the enterprise, and entertained the suggestion by subscribing \$5,000,000, whereupon, in 1889, Chicago apprised the country of her wish to house the Fair. St. Louis and Washington appeared as competitors, but the other three cities unanimously set Washington aside. St. Louis showed little enthusiasm. Thirty-five citizens of Chicago, led by a specially active few of their number, organized Chi-

the city as well as its position near the center of population and commerce told in its favor. Father Knickerbocker was not a little chagrined when his alert and handsome cousin persuaded Congress to allot her the prize. The act organizing the Exposition was approved April 25, 1890. A National Commission was appointed, under the presidency of Hon. T. W. Palmer, of Michigan. An executive committee was raised, also a board of reference and control, a Chicago local board, a board of lady managers, and a number of standing committees to deal with various branches of the colossal undertaking. . . . The least unavailable sight for the exposition was Jackson Park, in the southeastern part of the city, where one saw at the water's edge dreary ridges of sand, in the background a swamp with flags, marsh-grass and clumps of willow and wild-oak. Paris had taken nearly three years to prepare for the Exposition of 1889; twenty months were allowed Chicago. The site to be gotten in readiness was four times as large as that for the Paris Exposition. A dozen palaces and ten score other edifices were to be located, raised and adorned; the waters to be gathered in canals, basins and lagoons, and spanned by bridges. Underground conduits had to be provided for electric wires. Endless grading, planting, turfing, paving and road-making must be accomplished. Thousands of workmen of all nationalities and trades, also fire, police, ambulance and hospital service—a superb industrial army—had to be mustered in and controlled. The

growth of the colossal structures seemed magical. Sections of an immense arch would silently meet high in air "like shadows flitting across the sky." Some giant pillar would hang as by a thread a hundred feet above ground till a couple of men appeared aloft and set it in place. Workmen in all sorts of impossible postures and positions were swarming, climbing and gesticulating like Palmer Cox's Brownies.

On Wednesday, October 21, 1892, the hive was stilled, in honor of Columbus's immortal deed. Just four hundred years before for the first time so far as we certainly know or ever shall, European eyes saw American land. This climacteric event in human history was by Old Style dated October 12th. The addition of nine days to translate it into New Style made the date October 21st. On that day occurred a reception in the Auditorium, 3,500 persons responding to the invitation.

Mr. Cleveland's first prominent appearance before the public after his inauguration was upon the Opening Day of the Columbian Exposition, May 1, 1893. It was a legal holiday. In spite of the mist, rain and mud of its early hours, patient multitudes waited outside for the gates of Jackson Park to open. The inevitable procession, dramatically welcomed by the uncouth aliens of the Midway Plaisance, stopped at the temporary platform in front of the Administration Building, where, among many others, sat President Cleveland side by side with Columbus's descend-

ant, the Duke of Ceragua. Inspiring music and poetry led up to the climax of the occasion. . . .

Many of the festal days which followed were chosen by States and nations for their own in particular. Every State had its day, which it brightened with music and pageantry, not omitting the eloquence and hospitality suited to such occasions. On her day California dispensed freely to all comers of her abundant fruit. New York did not sulk over her loss of the opportunity to entertain the Fair, but vigorously and with splendid success celebrated the day set apart for her. "The great day of the feast" was "Chicago Day," October 9th, the twenty-second anniversary of the awful fire. All the night before houseless thousands had sheltered themselves in doorways and under the elevated railroad, while 15,000 awaited at the gates the opening of the grounds. During the day 716,881 persons paid their way into the grounds, the largest number for any one day, exceeding the maximum at Philadelphia—217,526, and that at Paris, in 1889—397,150. Original and interesting exercises marked the hours. . . .

In magnitude and splendor the grounds and buildings constituting the White City far surpassed any ever before laid out for exposition purposes. The original sketch of the grounds was drawn with pencil on brown paper by the late Mr. John W. Root. It projected an effective contrast of land and water as well as of art and nature, which subsequent elaboration, mainly under the invaluable advice and guidance

of the late Richard M. Hunt, nobly filled out. The North Pond communicated with the lake by the North Inlet and with the Grand Basin by the North Canal, opposite which was the South Canal. South of the Basin was South Inlet, leading from Lake Michigan into South Pond. In one corner was the isolated Northwest Pond. Approaching the park by water one landed at a long pier, on which was the moving sidewalk—the Power House, where alone steam-power was allowed, standing to the south. At another pier was moored the facsimile battleship "Illinois." Almost at the lips of her cannon the nations of the world had tabernacled, England nearest. Beyond these, at the north was the neighborhood of States, each represented by a house. Some of the houses were castles, some were cottages. Some provided only comforts, others held displays. Not one but offered points of great interest. Iowa, Washington, California and Illinois advertised their prospects; Florida, Virginia, Pennsylvania, New York and Massachusetts their history. Mutual visits among these families and mutual admiration were the order of each day.

Upon the Wooded Island, under the protectorate of Horticultural Hall, consummate art had made a refuge for wild nature. Stunted trees were masked by shrubbery and the water planted with aquatic vegetation. Nearly every variety of American tree and shrub was represented upon these acres. Here as well as elsewhere landscape gardeners had created

effective backgrounds of willows and of flowers, and stretches of lawn set off by statuary and fountains. Distances were too great to be traversed always on foot, but other modes of locomotion were ample. A good if somewhat noisy servant was the Intramural Railway, which conducted one by the rear of the grounds, the back way, as it were from one end of the enclosure to the other. But the beauty of the place more impressed you if you boarded a gondola or an electric launch, sweeping under arches, around islands, and past balustrades, terraces and flowered lawns. Easy transit through the larger buildings, or from one to another, was furnished by wheeled chairs. . . .

Great as was the expenditure, it would have been inadequate to the results had it not been possible to employ a material at once cheap, sufficiently durable, and very ductile in architects' hands. This was a mixture of plaster of Paris with certain fibers, commonly known as "staff." "It permitted the architects to indulge in an architectural spree." It made possible "a group of buildings which might have been a vision of an ancient monarch, but which no autocrat and no government could have carried out in permanent form." It allowed modern masters to reproduce "the best details of ancient architecture—to erect temples, colonnades, towers and domes of surpassing beauty and noble proportions—making an object-lesson of practical educational value equal to its impressive character." . . .

The name of the "Court of Honor" awoke in one a throb of anticipation before seeing its chaste beauty, which must to his dying day haunt the memory of every visitor who beheld it. Its majestic unity was mainly due to the genius of R. M. Hunt, already mentioned for his masterly agency in rendering the Fair so picturesque and so perfect as an architectural ensemble. Down the Grand Basin you looked upon the golden statue of the Republic, with its noble proportions, beyond it the peristyle, a forest of columns surmounted by the Columbian quadriga. On the right hand stood the Agricultural Buildings, upon whose summit the "Diana" of Augustus St. Gaudens had alighted. To the left stood the enormous Hall of Manufactures just mentioned.

Looking from the peristyle the eye met the Administration Building, admired by critics and laymen alike. Its architect was Mr. Hunt. He was a devotee of the French school, and here presented to the American people its best exemplification. The dome resembled that of the Hôtel des Invalides in Paris. In this Court originality was happily sacrificed to harmony. It was well that specimens of the best architecture should be set before the public, rather than novel departures from standard types; for the Fair not only showed the vast growth of art in America since 1876, but served as an educator in the canons of taste. The American art displayed at the Fair disappointed Europe by imitating hers so well. Yet it was clear that we were not mere imitators. . . .

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The number of paid admissions to the Columbian Fair was 21,477,218, a daily average of 119,984½. The gross attendance was 27,529,400, exceeding by nearly a million the number at the Paris Exposition for the six months ending with October, though rather over half a million less than the total attendance at Paris, where the gates were open a considerably longer time than at Chicago. The monthly average of visitors increased steadily from about 1,000,000 in May to nearly 7,000,000 in October. It was estimated that in all 12,000,000 different individuals saw the Fair.

THE WILSON TARIFF ENACTED

By Harry Thurston Peck

REPRESENTATIVE WILLIAM L. WILSON, of West Virginia, author of the historic tariff measure which bears his name, was so displeased by the manner in which the Bill, as originally framed, was emasculated by the Senate, that he besought his House confrères not to pass it. It passed, however, and became a law in 1894 without the signature of President Cleveland, who charged a group of Democratic Senators, who were active in its emasculation, with being guilty of "party perfidy and dishonor."

This was the first piece of national legislation that provided for the assessment of an income tax. Largely because the Supreme Court declared the income tax feature unconstitutional, and partly because the general business depression of 1893-4 was attended by a marked falling off in imports, the Act was a failure as a revenue law. This account is from Peck's "Twenty Years of the Republic," by permission of Dodd, Mead & Company.

made rather moderate reductions in the duties on woolen goods, cottons, linens, silks, pigiron, steel billets, steel rails, tin plate, china, glassware, and

ON December 19th, Mr. Wilson, the chairman of the Committee on Ways and Means, reported to the House the bill popularly known as "the Wilson Bill." The Republicans at once denounced it as free trade legislation; yet an analysis of its provisions as originally reported showed plainly enough that while it was distinctly a step in the direction of freer trade it was on the whole a very conservative measure. In the first place, it removed entirely the duties on wool, on coal, on iron ore, on lumber, and on sugar, both raw and refined. It

earthenware. A number of minor and miscellaneous articles received new schedules.

The most noticeable feature of the bill was its treatment of raw materials as just described. Here lay the point of departure from Republican tariff legislation, which in taxing raw materials had made American protectionism a thing unlike the protectionism of other leading nations. The Wilson Bill, in providing for the free entry of wool, coal, iron ore, lumber and sugar, adopted a principle recognized by scientific economists, while it adhered closely to the recommendations of President Cleveland's various messages and to the promise made in the Democratic platform of 1892.

The remission of the duty on wool was the boldest assertion of the new policy; for the duty on wool was the one provision of the McKinley tariff that had been of practical advantage to many American farmers. Its repeal was bitterly opposed by the wool-growers of Ohio and other States, whom Senator Sherman estimated at a million souls, and the value of their annual product at \$125,000,000. Free iron ore was opposed by the interest that had secured control of the Western ore beds, but it was of distinct advantage to the Eastern manufacturers. Free coal affected very few sections of the country. In New England and on the Pacific Coast, consumers might get their supply of coal from the adjacent mines in Canada rather than from the more distant coal-fields of Pennsyl-

vania and West Virginia; but the country at large must still use American and not imported coal. The same thing was true with regard to lumber.

The question of the tariff on sugar, however, was somewhat more complex. During the years preceding 1894, the refining of sugar in the United States had gradually become monopolized by the American Sugar Refining Company, oftener spoken of as the Sugar Trust, of which Mr. H. O. Havemeyer was the head. This corporation was one of the most powerful of all those to which public attention had been directed, and it was one of the most unpopular. The interests of this corporation would be served by admitting raw sugar free, thus giving the Trust the benefit of cheap materials, and by a tax upon refined sugar which came from other countries. This was precisely what the McKinley Act had done, enormously increasing the profits of the Trust. The Wilson Bill, as reported to the House, provided for the admission of raw sugar free, in accordance with the general theory as to raw materials, but it also admitted refined sugar free, thereby depriving the Sugar Trust of any special advantage, and leaving it to stand upon its own legs.

So much for the distinctive features of the new tariff measure in its original form. The rest of its schedules were lower than those of the McKinley Act, but in the main quite as high if not higher than those of the Tariff Act of 1883, passed by a Republican Congress. In fact, taken as a whole, the Wilson

Bill, so far from being in essence a free-trade measure, was one that would have been regarded in the years before the Civil War as a piece of rigorous protective legislation. It embodied, however, as has been explained, the general principle of free raw materials; while still it dealt considerably with the many interests which had grown up under the shelter of the thirty-two tariff acts which the Republicans had passed between 1860 and 1890.

The Wilson Bill was very well received by the Democrats in the House and by the party as a whole. Little change was made in the original draft during the five weeks when it was under consideration by the Representatives. But many Democrats and some Republicans from the South and West eagerly advocated the insertion in the bill of a clause providing for a tax on incomes. This would yield, it was said, a substantial revenue and wipe out the anticipated deficit; and most of all, it would make the possessors of large fortunes contribute to the Government a sum proportionate to their wealth. There was a strong and very wide-spread feeling that many of the richest persons in the country had so successfully "dodged" their taxes as to have secured a practical exemption from any taxation whatsoever. Secretary Carlisle had suggested laying a tax upon certain classes of corporations; but the House adopted instead a tax of 2 per cent. upon all incomes of more than \$4,000, the tax to remain in force until January 1, 1900. This clause was adopted on January 24th

by a vote of 204 to 140, and the bill as a whole received the approval of the House on February 1st, by a vote of 182 to 106—61 members not voting. When the result was announced by the Speaker, it was received with a burst of Democratic cheering, and Mr. Wilson was showered with congratulations by his followers and friends.

But after the bill reached the Senate, affairs took a decidedly different turn. The Democratic majority in the upper house was a very small one, and its close cohesion had already been destroyed, while there were many reasons why a tariff measure such as the Wilson Bill should encounter serious opposition there. These reasons may be indicated briefly as springing, first, from personal opposition to President Cleveland, and second, from the fact that the Senate, unlike the House, was controlled by powerful financial interests, which were ably represented on the floor. The personal animosity toward the President, which did not at once find open expression, was in part an inheritance from his first administration; in part a result of the masterful way in which he had forced the repeal of the Sherman Act; and to a large degree it represented the traditional antagonism which most Senators entertain toward every President who has not had Congressional experience sufficient to make him understand and properly respect the usages, the prerogatives and the prejudices of the Senatorial body. . . .

It was something more than ominous that the Wilson Tariff Bill, after passing the House by a majority of 76, and after having been referred by the Senate to its Finance Committee, should have been held back by that committee for almost two months. When reported (March 20th), it had been so clipped and trimmed as to exhibit a very curious metamorphosis. Yet in the open Senate the measure fared still worse. As might have been expected, the Republicans fell upon it tooth and nail; but acting in entire harmony with them were certain Democratic Senators who seemed to have forgotten altogether the solemn pledges which their National Convention of 1892 had given to the country. Foremost among these were the blandly inscrutable Senator Gorman of Maryland, and the newly elected Senator Brice of Ohio. The two appeared upon the Democratic side of the Senate as the unavowed yet most efficient agents of the protected interests, and their object was plainly to modify and mutilate the Wilson Bill in such a way as to deprive it of any real significance and meaning. . . .

The action of the Senate upon the sugar schedule led to a most deplorable scandal. The House had put all sugar—both refined and raw—upon the free list, thereby giving governmental aid neither to the Sugar Trust nor to the domestic producer. The two Senators from Louisiana, however, having in mind their sugar-growing constituency, insisted that raw sugar must be taxed. Without their votes, the bill

could probably not be carried at all, so close was the division. Furthermore, other Senators believed that such a duty was necessary as a revenue measure; since the funds in the Treasury were low, and the receipts from the income tax would not be available for many months. Hence, the Senate imposed a duty upon raw sugar of 40 per cent. "ad valorem," equivalent to about one cent a pound. But a duty on raw sugar without a countervailing duty on refined sugar would have been a serious blow to the Sugar Trust. All the powerful influences at the command of this corporation were immediately brought to bear upon the Senate. Here was a direct issue between one of the most notorious of Trusts on the one side, and the purpose of crippling Trusts avowed by the Democracy on the other. The Democratic platform had spoken of "Trusts and combinations" as "a natural consequence of the prohibitive taxes, which prevent . . . free competition." Would Democratic Senators, in the face of this declaration, impose a prohibitive tax at the bidding of a Trust whose monopoly controlled one of the necessities of life?

The debate upon the subject soon waxed hot. While it was in progress, ugly rumors began to fly abroad. The certificates of the Sugar Trust fluctuated in value every day, as the Senate seemed first favorable and then unfavorable to its interests. There was some difficulty about getting evidence; and in the end nothing was accomplished save to leave a taint

upon the names of several Senators and to disgust the country with the whole tariff controversy. . . .

The Trust had its way. Refined sugar was taxed one-eighth of a cent a pound, with an additional duty of one-tenth of a cent on refined sugar imported from countries giving an export bounty. This tax, minutely insignificant though it may appear, was ample to continue and confirm the Sugar Trust in its supremacy. The fractional duty of one-eighth of a cent a pound meant to the treasury of the Trust not less than \$20,000,000 of profit every year. After months of wearisome delay, with frequent scenes of disorder and indecorum, the Senate finally, on July 3d, allowed the mutilated tariff bill to pass, by a scant majority of five votes (39 to 34), with twelve Senators not voting.

The bill went back to the House for its concurrence. Mr. Wilson, rising in his place on July 7th, urged that, as altered and amended, it be not passed. He spoke with force and eloquence, and then took the unusual step of reading to the House a personal letter addressed to him by the President on July 2d, anticipating the action of the Senate. It was an extraordinary letter, and the fact of its being read was still more extraordinary; for thus the Executive was made to criticize the action of one house of Congress in a letter practically written to be read before the other house. From a party point of view, a Democratic President was arraigning Democratic Senators before both Democratic and Republican Representatives.

That President Cleveland should have permitted such a letter to be read at such a time has seemed to many the clearest possible evidence of his incompetency as a party leader. It was most certainly a gage of defiance to the Senate—a body already inimical to him.

The effect of it in the Senate was to seal irrevocably the fate of the Wilson Bill as a measure of true reform. Although the President had named no names in his accusation of "party perfidy and dishonor," the shaft had gone unerringly to its proper mark. Senator Gorman, stung by those pungent words, brought the subject before the Senate, with a show of virtuous indignation. . . .

The House refused to concur in the Senate's amendments, and the bill was sent to a conference committee of both houses. In conference, the Senate's representatives refused to yield a single point. The House could take the bill precisely as it left the Senate, or the bill could fail, leaving the McKinley tariff still in force. In the end, the House was forced to accept the amendments in their entirety, and to pass the bill which Mr. Cleveland had stigmatized as involving "perfidy and dishonor."

The predicament of the President was a cruel one. He could not put his signature to such a measure. He could not veto it, and make the professions of his party utterly ridiculous. And so he let it become a law without his signature.

THE DEBS RAILWAY STRIKE

By Harry Thurston Peck

THE industrial unrest that grotesquely advertised itself early in 1894 by the march of Coxey's "Army" on Washington, was more sternly manifested later in the same year by the great railway strike directed by Eugene V. Debs. As Peck states in his "*Thirty Years of the Republic*," from which this account is taken, by permission of Dodd, Mead & Company, the strike had its inception in a wage disagreement between the arbitrary Pullman Company and its employees. The Pullman workers were backed up by the American Railway Union, of which Debs was the head, and in the clash that followed between the strikers and Federal troops many lives were lost.

Debs was indicted and jailed for contempt, because of his management of the strike, which failed. Subsequently the indictments for conspiracy found by a Federal Grand Jury were dismissed. Five times he became the Socialist candidate for President. In 1918 Debs was sentenced to ten years' imprisonment for violation of the Espionage Act.

complete control of the independence and even of the livelihood of thousands of railway employees.

IN 1886, the capitalists who controlled or owned the twenty-four railways which then entered the city of Chicago, had formed a voluntary association known as the General Managers' Association. This body had for its main purpose the effective and arbitrary control of all persons employed by the railways it represented in the association. Wages were cut down according to a general agreement. Discharged workmen were "blacklisted," so that they could not easily get new employment. With no standing whatever in law, the Managers' Association was establishing a

To offset this combination of the owners, the men had organized, in 1893, the American Railway Union. The two bodies, antagonistic as they were in their special interests, came into conflict early in 1894, over a question which did not in its origin directly concern either of them.

The Pullman Palace Car Company was not a railway corporation, but was engaged in manufacturing cars which it operated through written contracts with the railways. It was a highly prosperous concern, and George M. Pullman, its president, had won much commendation from philanthropic sociologists for having built the pretty little village of Pullman, near Chicago, where employees of the company could at moderate rentals find houses that were clean, well lighted, and supplied with admirable sanitary arrangements. Lakes, parks, and well-kept streets made the place appear to be a poor man's paradise. On the other hand, those who lived in Pullman saw another side. Not many residents stayed there long. While they stayed, they seemed to be under a singular constraint. If they spoke of the company, they did so in a half-whisper, and with a furtive glance behind them very much "as a Russian might mention the Czar." Every one felt that he was spied upon, and that an incautious word might lead to his discharge and get his name upon the "black list."

In May, 1894, the Pullman Company dismissed a large number of its workmen. The wages of such as were retained were lowered by some twenty per

cent. Many were now employed for less than what was usually regarded as full time. A committee of employees waited upon Pullman to ask that the old wages be restored. Pullman refused this request, but promised that he would not punish any member of the committee for having presented the petition. This promise he apparently violated; for on the very next day three of the committee were discharged. Pullman, in fact, evidently regarded himself as a personage so sacrosanct as to make even a respectful petition to him a serious offense. Indignant at his action, five-sixths of his men went out on strike. Pullman promptly discharged the other sixth, who had remained faithful to his interests.

To justify the Pullman management, a general statement was given out on its behalf, that the close of the Columbian Exposition and the existing business depression had checked the demand for its cars; that it had been employing men at an actual loss; that it could not afford to continue them at work and at the old scale of wages. In reply to this, the fact was pointed out that while the wages of the men had been cut, the salaries of the officers remained as large as ever; and that rents in the town of Pullman had not been lowered. Moreover, the stock of the company was selling above par; its dividends for the preceding year on a capital of \$36,000,000 had been \$2,520,000, while it had a surplus of undivided profits amounting to \$25,000,000.

About 4,000 Pullman employees were members of the American Railway Union. In June, a convention of the union was held in Chicago, and this body took up the question of the Pullman strike, although the men on strike were not railway employees at all. A committee of the union wished to confer with the Pullman management, but were not allowed to do so. The Civic Federation of Chicago, with the approval and support of the mayors of fifty cities, urged the company to submit the matter to arbitration. The company answered: "We have nothing to arbitrate." Then, on June 2d, the Railway Union, finding no settlement possible, passed a resolution to the effect that unless the Pullman Company should come to an agreement with its men before June 26th, the members of the Railway Union would refuse to "handle" Pullman cars. The company remained obdurate; and therefore, on the 26th, the Union fulfilled its promise. From that day, on all the roads running out of Chicago, no train to which Pullman cars were attached could move.

The president of the Railway Union was Eugene V. Debs. He had formerly been a locomotive engineer and afterward a grocer. Going into politics, he had served a term in the Indiana Legislature. He was a very shrewd, long-headed strategist. He understood the strength of his organization. He was equally well aware of the one weak point in all the great labor demonstrations of the past. The 150,000 men whom he controlled could, by acting together, completely

paralyze the railway system centering at Chicago. Local public sentiment was, on the whole, favorable to the Pullman employees. That sentiment would, however, be alienated if violence and general disorder were to follow on the strike. It was vital that the Railway Union should employ no lawless means. . . .

The peaceable strike which was begun upon the 26th proved at once to be remarkably effective. Switchmen refused to attach Pullman cars to any train. When they were discharged for this, the rest of the train's crew left it in a body. By the end of the fifth day after the strike began, all the roads running out of Chicago were practically at a standstill. The Railway Managers' Association was facing absolute defeat. Its resources in the way of men were exhausted, and its trains could not be operated. Yet all this had been accomplished by peaceable means. There was no sign of violence or disorder. But the men who made up the Managers' Association were very able. They had at their command unlimited money, and legal advisers who could conceive daring plans. . . .

On July 1st, the roads were still paralyzed. Disorder had still for the most part been sporadic. There was no evidence that the local authorities were not fully competent to deal with the situation so far as the unruly elements were concerned. On the following day, however, on motion of the United States District-Attorney [Walker], Judge Woods issued a

sweeping injunction forbidding the president of the Railway Union, Debs, and also its vice-president, secretary and others, from interfering with the transportation of the mails and from obstructing interstate commerce. Walker also sent word to Washington that in his judgment, United States troops would be needed to enforce the order of the court. On that very day, President Cleveland ordered General Miles to Chicago, to assume personal command of the troops at Fort Sheridan. Walker seemed strangely insistent in his demand for troops and for their immediate use.

That same afternoon President Cleveland ordered Colonel Crofton, in command at Fort Sheridan, to enter Chicago with the entire garrison of infantry, artillery and cavalry. This order was promptly carried out; and on the following morning the troops were in camp upon the lake front. Reënforcements were hurried to them, and General Miles had presently at his disposal a force of several thousand men. A brigade of State militia was also ordered to the city by the Governor at the Mayor's request.

The story of the next few days is one of perpetual disorder, controlled, however, or greatly lessened by the admirable work of the regular troops, whose cool firmness had that indescribable effect which discipline always exercises upon disorder. Yet there was much destruction of railway property, both within the city and near it; while the temper of the soldiers were often severely tried. The spirit of the mob grew

more and more dangerous; and at last (on July 7th) General Miles issued an order to all officers in command of troops, directing them to fire upon persons engaged in overt hostile acts. Debs, whose prudence had begun to fail him, made an inflammatory address, in which he said:

“The first shot fired by regular troops at the mobs here will be a signal for civil war. Bloodshed will surely follow.”

Events moved quickly. On the following day the President issued a proclamation ordering all persons engaged in unlawful assemblages to disperse “on or before twelve o'clock noon of the ninth day of July instant.” Those who disregarded the warning were to be viewed as public enemies. “There will be no vacillation in the decisive punishment of the guilty.” On that same day, a mob at Hammond, Indiana, some twenty miles distant from Chicago, set upon several non-strikers, killing one and wounding four. Matters grew still more serious; and a detachment of regular troops, commanded by Major Hartz, was hurried to the Monon station. Under their protection, several trains were moved. This infuriated the mob, which, after exhausting every form of insult, began to shower the soldiers with missiles. The troops remained unmoved, awaiting orders. Emboldened by this apparent timidity, their assailants, who now numbered fully three thousand, made a wild rush, intending to overwhelm the compact company in blue. Major Hartz gave a sharp command, and the maga-

zine rifles spurted fire into the yelling mob, drilling it through and through with bullets and strewing the ground with dead.

Coincidently with these events, Judge Grosscup delivered a charge to a special Federal Grand Jury, which at once found indictments against Debs and three of his associates, the charge being one of conspiracy under the Sherman Anti-Trust Law of 1890. On July 10th, the four men were arrested and gave bail in \$10,000 each. On July 17th, the same men were brought before Judge Woods and were charged with contempt of court, in having disobeyed the injunction of July 2d. They refused to give bail upon this charge, and were sent to prison under guard.

This swift and stern action of the Federal Government broke the backbone of the strike, as Debs himself afterward admitted. The movement in which the Knights of Labor had also taken part, had spread over twenty-seven States and Territories and had affected the operation of 125,000 miles of railway. But everywhere it was dealt with in the same energetic manner whenever it obstructed the service of the mails; and after the arrest of Debs it died speedily away. On July 20th—less than a month after the general strike began—the United States troops left Chicago, their presence being no longer needed.

In the opinion of the Governor of Illinois, John P. Altgeld, their presence there had never been required. Altgeld was a Democrat of the Populistic type. In appearance, he resembled a typical German agitator

—fanatical and intense. He had pardoned the Anarchists who were sentenced to imprisonment at the time of the Haymarket murders in 1886. Many persons regarded him as no better than an Anarchist himself, yet this judgment was too harsh. His sympathies were undoubtedly with the strikers, and he felt, with some reason, that the presence of Federal troops was essentially provocative. . . .

The serious constitutional question which the strike of 1894 brought into prominence concerned the judiciary rather than the executive. "Government by injunction" was a phrase that now came into general use. The Interstate Commerce Law of 1887 and the Sherman Anti-Trust Law of 1890 had both been framed with a view to checking the power of the corporations. Clever lawyers, however, had most ingeniously converted these two acts into instruments to protect the railway corporations against attack. If an engineer left his post, or if the crew of a train deserted it, this was held to be a conspiracy in restraint of commerce. A United States Circuit Court had issued a "blanket" injunction against all the employees of the Northern Pacific Road, forbidding them to strike. As to Debs and his associates, they had been enjoined from inciting men to strike. On December 14th they were brought before Judge Woods in Chicago, and sentenced—Debs to six months' imprisonment and the others to three months—for contempt of court. This extension of the enjoining power was contrary to the whole spirit and practice

of Anglo-Saxon jurisprudence as hitherto understood. By the new procedure, a judge defined in advance the nature of an offense, and by injunction forbade the commission of it by certain specified persons. If they disobeyed the injunction, they were brought before the judge and fined or imprisoned, not directly for the act itself, but for contempt of court. In this way the judge became also the accuser, and the accused lost the right of a jury trial. Many of the most conservative publicists in the East were alarmed by this alarming stretch of the judicial power. . . .

The action of Judge Woods in sentencing Debs was, however, sustained by a unanimous decision of the Supreme Court handed down on May 27, 1895, and he served his term in prison. Yet it is to be noted that the indictments for conspiracy found against him in legal form by a Federal Grand Jury were afterward dismissed.

The report of a commission appointed by President Cleveland to investigate the origin of the great strike was full of deep significance. This commission found in the Railway Managers' Association an example of "the persistent and shrewdly devised plans of corporations to overreach their limitations and to usurp indirectly powers and rights not contemplated in their charters." It found that neither the Railway Union, nor any general combination of railway employees had been planned until the railway managers had set the example.

THE VENEZUELA AFFAIR

By Secretary of State Richard Olney

OLNEY, as Secretary of State in the Cleveland Cabinet, in 1895, displayed the same force and cogency in stating to Great Britain what is popularly called the Olney Doctrine regarding the Venezuela boundary question, as he displayed the year before, while Attorney-General, in enjoining Debs and the striking railway operatives from interfering with the United States mails or with interstate commerce.

Having become Secretary of State, Olney, prompted by President Cleveland, took an active interest in the Venezuela-British Guiana boundary dispute, and sent his famous letter, given here in substance, to Bayard, Minister to England, for the information of the British Government as to our position in the matter. Its interpretation of the Monroe Doctrine was generally considered to enlarge the scope of that policy. In 1896, acting in behalf of Venezuela, Olney negotiated a treaty with Britain which submitted the boundary question to arbitration.

Robert Schomburgk, to examine and lay down its boundaries. . . .

. . . the exploitation of the Schomburgk line in 1840 was at once followed by the protest of Vene-

IT is not proposed, and for present purposes is not necessary, to enter into any detailed account of the controversy between Great Britain and Venezuela respecting the western frontier of the colony of British Guiana. The dispute is of ancient date and began at least as early as . . . 1814. . . . The claims of both parties, it must be conceded, are of a somewhat indefinite nature. . . .

. . . Great Britain . . . apparently remained indifferent as to the exact area of the colony until 1840, when she commissioned an engineer, Sir

zuela and by proceedings on the part of Great Britain which could fairly be interpreted only as a disavowal of that line. . . . Notwithstanding this, however, every change in the British claim since that time has moved the frontier of British Guiana farther and farther to the westward of the line thus proposed. . . .

The important features of the existing situation . . . may be briefly stated.

1. The title to territory of indefinite but confessedly very large extent is in dispute between Great Britain on the one hand and the South American Republic of Venezuela on the other.

2. The disparity in the strength of the claimants is such that Venezuela can hope to establish her claim only through peaceful methods—through an agreement with her adversary either upon the subject itself or upon an arbitration. . . .

5. Great Britain, however, has always and continuously refused to arbitrate, except upon the condition of a renunciation of a large part of the Venezuelan claim and of a concession to herself of a large share of the territory in controversy.

6. By the frequent interposition of its good offices at the instance of Venezuela, by constantly urging and promoting the restoration of diplomatic relations between the two countries, by pressing for arbitration of the disputed boundary, by offering to act as arbitrator, by expressing its grave concern whenever new alleged instances of British aggression upon Venezuelan territory have been brought to its notice, the

Government of the United States has made it clear to Great Britain and to the world that the controversy is one in which both its honor and its interests are involved and the continuance of which it can not regard with indifference.

. . . those charged with the interests of the United States are now forced to determine exactly what those interests are and what course of action they require. It compels them to decide to what extent, if any, the United States may and should intervene in a controversy between and primarily concerning only Great Britain and Venezuela and to decide how far it is bound to see that the integrity of Venezuelan territory is not impaired by the pretensions of its powerful antagonist. Are any such right and duty devolved upon the United States? If . . . any such right and duty exist, their due exercise and discharge will not permit of any action that shall not be efficient and that, if the power of the United States is adequate, shall not result in the accomplishment of the end in view. . . .

That there are circumstances under which a nation may justly interpose in a controversy to which two or more other nations are the direct and immediate parties is an admitted canon of international law. . . . We are concerned at this time, however, not so much with the general rule as with a form of it which is peculiarly and distinctly American. Washington, in the solemn admonitions of the Farewell Address, explicitly warned his countrymen against entangle-

ments with the politics or the controversies of European powers. . . .

. . . The Monroe administration . . . did not hesitate to accept and apply the logic of the Farewell Address by declaring in effect that American non-intervention in European affairs necessarily implied and meant European non-intervention in American affairs. . . .

. . . It was realized that it was futile to lay down such a rule unless its observance could be enforced. It was manifest that the United States was the only power in this hemisphere capable of enforcing it. It was therefore courageously declared not merely that Europe ought not to interfere in American affairs, but that any European power doing so would be regarded as antagonizing the interests and inviting the opposition of the United States.

. . . The precise scope and limitations of this rule can not be too clearly apprehended. It does not establish any general protectorate by the United States over other American states. It does not relieve any American state from its obligations as fixed by international law nor prevent any European power directly interested from enforcing such obligations or from inflicting merited punishment for the breach of them. It does not contemplate any interference in the internal affairs of any American state or in the relations between it and other American states. It does not justify any attempt on our part to change the established form of government of any American state.

.... The rule in question has but a single purpose and object. It is that no European power or combination of European powers shall forcibly deprive an American state of the right and power of self-government and of shaping for itself its own political fortunes and destinies.

That the rule thus defined has been the accepted public law of this country ever since its promulgation cannot fairly be denied.

.... every administration since President Monroe's has had occasion, and sometimes more occasions than one, to examine and consider the Monroe Doctrine and has in each instance given it emphatic endorsement.

.... It rests . . . upon facts and principles that are both intelligible and incontrovertible. That distance and three thousand miles of intervening ocean make any permanent political union between an European and an American state unnatural and inexpedient will hardly be denied. But physical and geographical considerations are the least of the objections to such a union.

.... whether moral or material interests be considered, it can not but be universally conceded that those of Europe are irreconcilably diverse from those of America, and that any European control of the latter is necessarily both incongruous and injurious. If, however . . . the forcible intrusion of European powers into American politics is to be deprecated—if, as it is to be deprecated, it should be resisted and

prevented—such resistance and prevention must come from the United States . . . since only the United States has the strength adequate to the exigency.

Is it true, then, that the safety and welfare of the United States are so concerned with the maintenance of the independence of every American State as against any European power as to justify and require the interposition of the United States whenever that independence is endangered? The question can be candidly answered in but one way. The States of America, South as well as North, by geographical proximity, by natural sympathy, by similarity of governmental constitutions, are friends and allies, commercially and politically, of the United States. To allow the subjugation of any of them by an European power is, of course, to completely reverse that situation and signifies the loss of all the advantages incident to their natural relations to us. But that is not all. The people of the United States have a vital interests in the cause of popular self-government. . . . But . . . they are content with such assertion and defense of the right of popular self-government as their own security and welfare demand. It is in that view more than in any other that they believe it not to be tolerated that the political control of an American State shall be forcibly assumed by an European power.

. . . To-day the United States is practically sovereign on this continent, and its fiat is law upon the

subjects to which it confines its interposition. Why? . . . It is because, in addition to all other grounds, its infinite resources combined with its isolated position render it master of the situation and practically invulnerable as against any or all other powers.

All the advantages of this superiority are at once imperiled if the principle be admitted that European powers may convert American States into colonies or provinces of their own. . . . The disastrous consequences to the United States of such a condition of things are obvious. The loss of prestige, of authority, and of weight in the councils of the family of nations, would be among the least of them. Our only real rivals in peace as well as enemies in war would be found located at our very doors. Thus far in our history we have been spared the burdens and evils of immense standing armies. . . . But, with the powers of Europe permanently encamped on American soil, the ideal conditions we have thus far enjoyed can not be expected to continue. We too must be armed to the teeth. . . .

How a greater calamity than this could overtake us it is difficult to see. . . . The people of the United States have learned in the school of experience to what extent the relations of States to each other depend not upon sentiment nor principle, but upon selfish interest. . . . They have yet in mind that France seized upon the apparent opportunity of our Civil War to set up a monarchy in the adjoining state of Mexico. They realize that had France and Great

Britain held important South American possessions to work from and to benefit, the temptation to destroy the predominance of the Great Republic in this hemisphere by furthering its dismemberment might have been irresistible. From that grave peril they have been saved in the past and may be saved again in the future through the operation of the sure but silent force of the doctrine proclaimed by President Monroe. . . .

. . . The application of the doctrine to the boundary dispute between Great Britain and Venezuela remains to be made and presents no real difficulty. Though the dispute relates to a boundary line, yet, as it is between states, it necessarily imports political control to be lost by one party and gained by the other. . . .

. . . Great Britain can not be deemed a South American state within the purview of the Monroe Doctrine, nor, if she is appropriating Venezuelan territory, is it material that she does so by advancing the frontier of an old colony instead of by the planting of a new colony. . . . It is not admitted, however, and therefore can not be assumed, that Great Britain is in fact usurping dominion over Venezuelan territory. While Venezuela charges such usurpation, Great Britain denies it, and the United States, until the merits are authoritatively ascertained, can take sides with neither. But while this is so . . . it is certainly within its right to demand that the truth shall be ascertained. . . .

.... It being clear, therefore, that the United States may legitimately insist upon the merits of the boundary question being determined, it is equally clear that there is but one feasible mode of determining them, viz., peaceful arbitration. . . .

You are instructed, therefore, to present the foregoing views to Lord Salisbury. . . . They call for a definite decision upon the point whether Great Britain will consent or will decline to submit the Venezuelan boundary question in its entirety to impartial arbitration. It is the earnest hope of the President that the conclusion will be on the side of arbitration. . . . If he is to be disappointed in that hope . . . it is his wish to be made acquainted with the fact at such early date as will enable him to lay the whole subject before Congress in his next annual message.

THE DISCOVERY OF GOLD IN ALASKA

By Dr. L. H. French

DR. FRENCH, from whose "Nome Nuggets" this account of the discovery of gold, in 1899, and pioneer mining operations in Alaska is taken, by permission of Montross, Clarke & Emmons, headed an expedition which installed the first hydraulic mining outfit on the site of Nome, at the mouth of the Snake River, in 1900.

The gold output of the Nome district in that year was more than \$5,000,000, and in the following year it was estimated at \$7,000,000. During that period a "mushroom" settlement of tents, first called Anvil City, sprung up. Gradually it gave place to a permanent city of frame structures, and there now exists a fully organized municipality, compactly built along the beach, electrically lighted and equipped with a good water system. The last census recorded a population of about 5,000.

being then known. By this time, as winter was setting in, they went back to Golovin Bay. Of course, after they arrived there, the news being too good to keep, every one heard of their luck. In a few hours there was a general stampede from Golovin Bay to the new diggings. Word was sent to Council City,

GOLD was first discovered at Nome in July, 1898. The discovery was made by men who had been up the coast, who were returning, and whose schooner was capsized in a storm off the mouth of Snake River. After doing a little prospecting they hastened to Golovin Bay where they induced others to return with them to Cape Nome. A considerable number of men did so and made valuable discoveries on the creeks, the presence of gold in the beach not

and on the 18th of November the exodus from that place began. Shortly afterwards the news reached St. Michael, where men from Nome had gold dust to back up their statements, and spent it freely, in stores and with trading companies, for mining tools and provisions to take back with them.

This caused a great deal of excitement among the employees of the stores at St. Michael. In five days many had secured dog teams and provisions, and were on their way over the ice to the new land of gold.

In three weeks the place was nearly deserted, the same being the case with other small camps nearby. The news spread to the villages along the Yukon. Soon scores of dog teams, laden with provisions, passed through St. Michael, en route for this icy Eldorado.

Most of the men had powers of attorney to stake claims for their friends—some even had powers of attorney for their wives and children in the States. In this way claims in the Nome district were taken up. In a short time, when navigation opened, newcomers could find little ground that was not staked. During the summer of 1899 about five thousand people gathered near Cape Nome, and whatever ground remained unclaimed was then taken up. Gold was found in abundance. The transportation companies were largely instrumental in advertising the supposed richness of the beach. During the summer of 1900 gold

remained in the beach at Cape Nome in small quantities, but the best of it had been taken out in 1899.

The great richness of the country, which can hardly be overestimated, lies not in the beach, but in the interior. So far only placer claims have been worked, although many valuable quartz claims have been located, and next season will see many of them in operation.

The climate of Nome is, for the most part, anything but agreeable. The weather during last July was ideal, the mean temperature being 52° F., though the nights were very cold. In August continuous rain set in, accompanied by high winds. Only those who are physically strong should venture into this country, as the hardships to be endured are of the severest kind. Those going there should, under no circumstances, take their wives and children.

In June, 1899, gold was discovered in the sands of Nome beach. So many different stories have been told as to the manner in which gold was discovered in the sands on the shores of Behring Sea, that it is difficult to find two men who agree exactly as to the facts of the discovery. The accepted version is that one of the early gold seekers, being stricken with scurvy and unable to work, spent a number of hours each day on the beach, in order to avail himself of the old time whaleman's cure of sand and salt water. In order to occupy his time he took a miner's pan with him and, in a short time, established the fact that gold in large paying quantities could be found in the

sands. This, undoubtedly, caused the first real operations in that line by white men; although it is more than probable that the natives had taken gold from the sands long before this, as the early traders found rudely fashioned gold ornaments among them. As no trace of their mining in the interior has ever been discovered, we must draw the aforementioned conclusion.

Quite a number of idle men made rockers and started to work; and even some of the business men sold out and went to rocking. As soon as the miners, working on the creeks for wages, knew that many of these men were making from \$15 to \$100 a day, they threw down their picks and shovels and made for the shore. In an incredibly short time the beach was literally covered with men and rockers, work on the creeks being materially interfered with.

The beach diggings are about two hundred feet in width. They lie between the ocean and the tundra. The tundra is elevated from ten to thirty feet above sea level, stretching back four to six miles to the foot-hills. It is composed of frozen moss and muck; its surface being dotted with small lakes.

Beach gold is very fine and hard to save; some of it will actually float, with sand, out of a gold pan. It is found on a false bed rock of blue clay. There are from one to three pay streaks of ruby (garnet) sand. The pay streaks vary from one to four inches in thickness, with a bed rock two to six feet deep.

Of the beach, however, I shall have little to say. Its richness was ephemeral, although the vast wealth of the interior exceeds, by far, the most sanguine expectations ever entertained concerning the sands along the shore.

During the winter of 1899-1900 the marvelous stories of the richness of the newly discovered Cape Nome district induced me to make preparations for spending the summer there. A number of friends and acquaintances in New York and New England electing to become interested with me in the venture, a considerable plant was ordered in New York and shipped to Seattle. The machinery, which proved to be the largest plant of the sort taken to work on the beach at Cape Nome, was designed to take up sand from the bed of the ocean. . . .

The several members of the party reached Seattle during the last days of May to find the town full of men preparing to go to Cape Nome. Steamers left almost daily, laden far beyond their capacity both as to passengers and freight. For many weeks vessels had been departing with the full knowledge that Behring Sea would be full of ice floes and that there must be long delays in reaching Nome. But so great was the eagerness to be the first on the field, that a great number of people left in the early spring on sailing vessels and steamers. Tent makers, grocers, hardware dealers, and general outfitters benefited principally among the merchants of Seattle, though,

perhaps, hotel keepers and transportation companies should be mentioned first. . . .

I was advised to take drafts, instead of cash. I had, however, a premonition that I might have some difficulty in securing cash at Cape Nome, and so took greenbacks for a large amount, the various members of the expedition carrying them in money belts. This was a most fortunate thing for us, as not only should I have failed in securing, for some time, any money on drafts at Cape Nome, but I even failed to find a place to deposit our money. For some weeks we had to continue to carry this decidedly bulky and disagreeable load.

On June 7th our party sailed from Seattle on the S. S. ——, the best steamer of the Cape Nome fleet. We took with us over two hundred tons of machinery, the plant of the Cape Nome Hydraulic Mining Company, which we believed to be adapted to the conditions prevailing at Cape Nome, together with a large amount of coal, lumber, supplies, tents, hardware, etc., etc. The vessel had on board one thousand and nine souls, far more than she was licensed to carry. But, while there were many complaints, there was really no actual suffering from over-crowding, nor was there any lack of anything essential to the comfort of the passengers, although, had we not made so speedy a voyage, our condition might have been pitiable owing to the lack of provisions. As an evidence of the parsimonious policy of the steamship company (which was really one of the

best), I have simply to say, that we made the trip in ten days, certainly quite as short a time as could have been anticipated; yet on the morning after our arrival, and before the passengers landed, it was necessary to send to other vessels of the fleet, lying in the offing, for food for breakfast. While we were delayed less than two days in the ice, it would not have been unusual at that season of the year to remain in the ice a week or more. Had this happened, it is easy to see what suffering to the passengers would have been entailed. . . .

The personnel of the passengers on board the S. S. _____ was about the same as that of the community at Nome. About one-third was of the "sporting" class, male and female; one-third was of the idle, always foot-loose class, who never do well anywhere under any circumstances, and who had no definite plan of any sort. The last third was divided between men who had experience in mining and definite plans for operations and work at Nome, those who were going into mercantile business, and professional men. The presence of gamblers and "sporting" people in a mining camp is one of the best indications of its prosperity, and I am not prepared to say that they do such a community great harm. . . .

When I landed at Nome City I found over fifteen thousand people. These, I supposed, comprised most of the people who had come to that section, yet I later found that from five to ten thousand more were scattered along the beach for twenty-five miles.

The scene on the beach was absolutely chaotic. Thousands of tons of freight of every conceivable description were piled high, from the water's edge far up the beach, and for two miles along the water front. Everything was in an appalling state of confusion. Machinery, all sorts of supplies, hay, grain, lumber, hardware, provisions, liquor, tents, stoves, pianos, sewing machines, mirrors, bar fixtures,—everything that one may imagine, was there. The delivery of goods to their rightful owners was next to impossible. In many instances, steamship companies claimed that their responsibility for goods ceased when the goods went over the ship's side. As this performance took place about a mile out to sea, a very risky and expensive trip on lighters had still to be made before the landing, through the surf, was accomplished. It will thus be seen that this was hardly a pleasant prospect for shippers of freight.

Goods once on the beach were still far from their destination, even though the actual distance to be covered was not great. Transportation along the beach was either by wagon, at \$10 an hour—and a wagon could only haul a few hundred pounds and move at a snail's pace—or goods could be moved on lighters, which were towed by steam or gasoline launches. The charges made by these launches for such towing were frequently as high as \$500 a day. Prices fell later in the season. Hauling anything on the tundra was next to impossible. Dog teams abounded. Six to twelve dogs, harnessed tandem

fashion, could pull a small wagon carrying not to exceed two hundred pounds.

The main street was the only passable street, and this was a surging mass of humanity. Men rushed furiously about, apparently without any particular object. At that date there were one or two frame lodging houses ready for business, but no hotels. A bunk cost \$2 or \$3 per night, according to the character of the place. Very few who had landed had gotten possession of their tents. Thousands slept outdoors on boxes or bales, or walked about all night. It was a difficult matter to tell when it was night and when it was day, as there was absolutely no difference in the amount of light. Restaurants were principally in tents; the cost of a modest meal was from \$2 to \$3; three boiled eggs could be had for \$1; ham and eggs for \$1.50; bread and butter and coffee, 50 cents. The weather at that date was ideal, so that little hardship was entailed by sleeping outdoors.

Sanitary arrangements were absolutely nil. The irregular city government did improve matters somewhat by ordering, on penalty of a fine, that all persons, male and female, use public latrines erected for the purpose. Tickets to these places were sold at 10 cents each, or three for 25 cents.

Realizing that to land our freight on the beach, under the conditions prevailing, would entail a delay of weeks in getting out to our beach claims, six miles away, as well as the loss of thousands of dollars for moving, I arranged with the captain of our steamer to

move the vessel up to a point opposite our claims, and land our property there.

This I was enabled to do, a little later, without any cost, in view of what he was pleased to call my services to his company. Bad weather and difficulty in landing necessitated our remaining opposite our claims for more than a week. It was not until the first days of July that we found ourselves landed on our claims and in possession of all our freight.

During all of July the beach was a scene of the utmost activity; plants of every conceivable description were in process of erection or in operation. The rule as to each man taking a twenty-five foot strip, which I had believed to prevail, was wholly disregarded; a man used whatever ground his plant occupied. Towards the last of July an attempt was made to hold full-sized claims on the beach, and in some instances soldiers were sent to remove intruders. This action would probably have been strongly contested, and I do not believe that it would have proven legal, for the beach had been frequently characterized as the "poor man's diggings." But most of the people by this time had come to the conclusion that the beach was not worth fighting for, and there was, therefore, no concerted opposition to the attempt to clear a few claims of trespassers. It is estimated that seven or eight thousand men worked the beach with rockers, and that as many more either owned or were employed by, large or small plants. Many of the rockers were painted with bright colors, and, as one rowed up

and down near the shore, they resembled nothing so much as the butter and cheese machines at a country fair.

The most popular machines were small centrifugal pumps, operated by gasoline engines, throwing enough water to furnish one sluice head. Of these there were endless numbers whose explosive puffs could be heard above the roar of the surf, night and day. Many were the devices calculated to work beneath the sea. . . .

I believe that much of the sickness on the beach was due to the fact that not all tents had floors, and thus men were unable to keep themselves warm and dry. We had everything to eat which can be put up in cans; and most of the time we had desiccated potatoes, onions and other vegetables. Large amounts of beef and mutton were sent up in cold storage, and not a little beef on the hoof. The "Skookum," whose dimensions were really colossal, brought up a great many cattle.

Although it became warm toward noon in July, we had no difficulty in keeping all perishable articles of diet in an excellent state of preservation. By digging down a few feet one could always strike ice, on which butter and such things could be put, the whole covered over with boards and a piece of canvas. Such made ideal ice chests.

We had made elaborate preparations to fight mosquitoes, and had bolts of mosquito netting, and vari-

ous sorts of mosquito-proof headgear. But we had no use for any of this while we were on the beach, though it would have been useful had we gone to the creeks during the warmest weather. I never saw any mosquitoes on the beach.

In August the scene changed. The beach was dismal beyond description. The rains had set in; much of the machinery was abandoned, covered with rust and sinking in the sand; the exhilaration of hope, which had fired the miners a month earlier, when they were getting ready their plants with money they had brought up with them, had vanished. Most of those who still worked on were trying to get a stake on which to leave the country.

We were ready for operations on the 17th of July. For nearly a month we literally swept the bottom of the ocean in front of our claims. The machinery was admirably designed, doing all and more than had been claimed for it. We handled thousands of tons of sand, in all of which there were particles of gold, but never in paying quantities. Men with rockers made fair wages, \$5 to \$25 a day, early in the season, and a bare living later. The man with the rocker was able to move about looking for good spots, was under little expense, and many of those, who were industrious, did well.

While it is not to be denied that gold exists along the whole vast coast, from Cape Nome to Cape York, it is a positive fact that it does not exist in sufficient quantities to yield large returns for extensive opera-

tions, and up to September 1st, the Cape Nome Hydraulic Mining Company was as dismal a failure as it is easy to imagine.

Forced to acknowledge our defeat, we housed our plant and turned our attention to the creeks. At this time there was every temptation to sell our machinery for what it would bring, and return to civilization.

A majority of the plants had given up long before we reluctantly acknowledged that our enterprise, so far as concerned that field of operation, was a failure. The fact was that the richest of the deposits of gold on the beach had been taken out during the preceding season, and that gold, in paying quantities, never existed below the water line. I am inclined to believe that those who had taken it out fully expected that infinitely richer deposits might still be found, but it was not so. . . .

IN DEFENSE OF SILVER

By William Jennings Bryan

THIS is the main part of the famous "cross of gold" speech which "made" Bryan politically. It was delivered before the Democratic National Convention at Chicago, in 1896, and so electrified the delegates that Bryan, who hitherto had been a Congressman from Nebraska, 1891-5, and an unsuccessful candidate for United States Senator, was nominated for President by acclamation. It is generally considered a model of modern political oratory, even though its author was repeatedly disappointed in his Presidential aspirations.

At the time the speech was delivered, Bryan was a Nebraska delegate to the Convention and was concluding his second year as editor of the Omaha "World-Herald." He was a native of Salem, Illinois, where he was born in 1860, and had removed to Nebraska in 1887. In Congress he made several effective speeches on free trade, but his name is inseparably connected with the free-silver policy.

business man as the merchant of New York; the farmer who goes forth in the morning and toils all day—who begins in the spring and toils all summer—

WHEN you (turning to the gold delegates) come before us and tell us that we are about to disturb your business interests, we reply that you have disturbed our business interests by your course.

We say to you that you have made the definition of a business man too limited in its application. The man who is employed for wages is as much a business man as his employer; the attorney in a country town is as much a business man as the corporation counsel in a great metropolis; the merchant at the cross-roads store is as much a

and who by the application of brain and muscle to the natural resources of the country creates wealth, is as much a business man as the man who goes upon the board of trade and bets upon the price of grain; the miners who go down a thousand feet into the earth, or climb two thousand feet upon the cliffs, and bring forth from their hiding places the precious metals to be poured into the channels of trade are as much business men as the few financial magnates who, in a back room, corner the money of the world. We come to speak for this broader class of business men.

. . . We do not come as aggressors. Our war is not a war of conquest; we are fighting in the defense of our homes, our families, and posterity. We have petitioned, and our petitions have been scorned; we have entreated, and our entreaties have been disregarded; we have begged, and they have mocked when our calamity came. We beg no longer; we entreat no more; we petition no more. We defy them. . . .

Let me call your attention to two or three important things. The gentleman from New York says that he will propose an amendment to the platform providing that the proposed change in our monetary system shall not affect contracts already made. Let me remind you that there is no intention of affecting those contracts which, according to present laws, are made payable in gold; but if he means to say that we cannot change our monetary system without protecting those who have loaned money before the change was

made, I desire to ask him where, in law or in morals, he can find justification for not protecting the debtors when the act of 1873 was passed, if he now insists that we must protect the creditors. . . .

And now, my friends, let me come to the paramount issue. If they ask us why it is that we say more on the money question than we say upon the tariff question, I reply that, if protection has slain its thousands, the gold standard has slain its tens of thousands. If they ask us why we do not embody in our platform all the things that we believe in, we reply that when we have restored the money of the Constitution all other necessary reforms will be possible; but that until this is done there is no other reform that can be accomplished. . . .

Mr. Carlisle said in 1878 that this was a struggle between "the idle holders of idle capital" and "the struggling masses, who produce the wealth and pay the taxes of the country"; and, my friends, the question we are to decide is: Upon which side will the Democratic party fight; upon the side of "the idle holders of idle capital" or upon the side of "the struggling masses?" That is the question which the party must answer first, and then it must be answered by each individual hereafter. The sympathies of the Democratic party, as shown by the platform, are on the side of the struggling masses who have ever been the foundation of the Democratic party. There are two ideas of government. There are those who believe that, if you will only legislate to make the well-

to-do prosperous, their prosperity will leak through on those below. The Democratic idea, however, has been that if you legislate to make the masses prosperous, their prosperity will find its way up through every class which rests upon them.

You come to us and tell us that the great cities are in favor of the gold standard; we reply that the great cities rest upon our broad and fertile prairies. Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.

My friends, we declare that this nation is able to legislate for its own people on every question, without waiting for the aid or consent of any other nation on earth; and upon that issue we expect to carry every State in the Union. I shall not slander the inhabitants of the fair State of Massachusetts nor the inhabitants of the State of New York by saying that, when they are confronted with the proposition, they will declare that this nation is not able to attend to its own business. It is the issue of 1776 over again. Our ancestors, when but three millions in number, had the courage to declare their political independence of every other nation; shall we, their descendants, when we have grown to seventy millions, declare that we are less independent than our forefathers? No, my friends, that will never be the verdict of our people. Therefore, we care not upon what lines the battle is fought. If they say bimetallism is good, but that we

cannot have it until other nations help us, we reply that, instead of having a gold standard because England has, we will restore bimetallism, and then let England have bimetallism because the United States has it. If they dare to come out in the open field and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold.

THE FIRST BRYAN CAMPAIGN

William Jennings Bryan's Own Account

NOMINATED for the Presidency on a Democratic-Populist platform demanding the free and unlimited coinage of silver at the ratio of 16 to 1, Bryan canvassed the United States in person, as related in his "First Battle: A Story of the Campaign of 1896," (W. B. Conkey Company) traveling more than 18,000 miles and addressing 5,000,000 people. Nevertheless, he was defeated by the Republican candidate, William McKinley, by an electoral vote of 271 to 176.

During the next four years, except for a short time in 1898, when he served as a colonel of volunteers in the Spanish-American War, he devoted himself assiduously to preaching the gospel of free silver and opposing trusts and imperialism. His eloquence made him nationally celebrated as the "boy orator of the Platte," his home town of Lincoln, Nebraska, being situated on the Platte River. The youthful implication was hardly supported by his age, 36, at the time.

hall, a representative of a local paper asked me if I would have any objection to his sitting in my room. I replied, "No," and then innocently inquired why he

THE reminiscences of the campaign of 1896 form such a delightful chapter in memory's book that I am constrained to paraphrase a familiar line and say that it is better to have run and lost than never to have run at all.

I shall always carry with me grateful, as well as pleasant, recollections of the newspaper men with whom I was thrown. The first premonitory symptom of greatness about to be thrust upon me was noticed at the Clifton House shortly after my Convention speech. Immediately after my return from the

wanted to sit there. He informed me that his paper had sent him over to report anything of interest. In a few minutes another representative of the press dropped in upon the same mission, and then another until my room was full.

I found that they were prepared to minutely report circumstances which to me seemed trivial. The angle of inclination was noted as I lay upon the bed. I was given credit for using a paper to protect the bed-clothes from my feet; the rabbit's foot given me as I left the convention hall was reproduced in the papers; the bulletins announced that Mrs. Bryan preserved her composure during the nominating scene, and when I remarked that I was glad she had done so, the world was at once permitted to share my joy. When, on Saturday night, we tried to steal away and have a Sunday's rest without our whereabouts being known I found that five carriages followed ours, and the omnipresent news-gatherers interviewed us as we alighted. But they were a gentlemanly and genial crowd, and I soon learned to save myself much trouble by telling them the exact moment of rising and retiring, and by reporting in advance the things to be done and, in review, the things which had been done. . . .

The total number of miles traveled [during the campaign], as shown by the schedules, was about 18,000. I have no way of ascertaining the exact number of speeches made, but an estimate of 600 is not far from correct. It is difficult to make an esti-

mate of the number of persons addressed. Mr. Rose, of the Associated Press, thought about 5,000,000 the total number in attendance at my meetings, while Mr. Oulahan, of the United Associated Presses, places the number at 4,800,000. This, of course, includes men, women and children.

After leaving home, on September 9th, when I started on my long trip, up to November 3d, I had spent every day, excepting Sunday, in campaigning. So far as my physical comfort was concerned the greatest anxiety was expressed as to the condition of my throat. I tried a cold compress, and a hot compress, and a cold gargle and a hot gargle, and cough drops and cough cures and cough killers in endless variety and profusion, and, finally abandoning all remedies, found my voice in better condition during the latter days, without treatment, than it was earlier in the campaign. In all this travel there was but little delay and no accident of any consequence to any member of the party.

As we learn by experience, my experience may be of value to those who may hereafter be engaged in a similar campaign. I soon found that it was necessary to stand upon the rear platform of the last car in order to avoid danger to those who crowded about the train. I also found that it was much easier to speak from the platform of the car than to go to a stand, no matter how close. Much valuable time was wasted by going even a short distance, because in passing through a crowd it was always necessary to

do more or less of handshaking, and this occupied time. Moreover, to push one's way through a dense crowd is more fatiguing than talking. Speaking from the car also avoided the falling of platforms, a form of danger which, all through the campaign, I feared more than I feared breaking down from overwork. A platform, strong enough ordinarily, was in danger of being overtaxed when the crowd centered at one place in an endeavor to shake hands with the candidate.

The ratio of 16 to 1 was scrupulously adhered to during the campaign, and illustrated with infinite variety. At one place our carriage was drawn by sixteen white horses and one yellow horse; at any number of places we were greeted by sixteen young ladies dressed in white and one dressed in yellow, or by sixteen young men dressed in white and one dressed in yellow. But the ratio was most frequently represented in flowers, sixteen white chrysanthemums and one yellow one being the favorite combination. I was the recipient of lucky coins, lucky stones and pocket-pieces and badges and buttons. During the campaign I received gold-headed canes, plain canes, leather canes, thorn canes, and even a glass cane. Some were voted at church fairs, of a variety of denominations, some were taken from famous battle-fields, and one was made from the house in which Patrick Henry made his first speech. I received a silver Waterbury watch, presented by a Connecticut bimetallist (he thought it embarrassing for me to time myself with a gold watch while making a silver

speech), two rings, one with a sixteen to one set and one made of a coin in circulation at the time of the first Christian emperor. I received four handsome live eagles, two from Telluride, Colorado, and two from Burke, Idaho, and one stuffed eagle which had been killed in Nebraska. One of the prettiest souvenirs of the campaign was a watch-charm, emblematic of bimetallism—beautiful specimens of wire gold and wire silver being enclosed in crystal.

It is impossible to chronicle all the evidences of kindly feeling given during the campaign; in fact the good will manifested and the intense feeling shown impressed me more than any other feature of the campaign. When the result was announced my composure was more endangered by the sorrow exhibited by friends than it was during all the excitement of the struggle. Men broke down and cried as they expressed their regret, and there rises before me now the face of a laboring man, of Lincoln [Nebraska], who, after he dried his tears, held out his hand from which three fingers were missing, and said: "I did not shed a tear when those were taken off." People have often lightly said that they would die for a cause, but it may be asserted in all truthfulness that during the campaign just closed there were thousands of bimetallists who would have given their lives, had their lives been demanded, in order to secure success to the principles which they advocated. Surely, greater love hath no man than this. . . .

The following morning we returned to Lincoln on an early train. The Bryan Home Guards met us at the depot and escorted me to the city clerk's office, where I made the affidavit required of those who fail to register, and then they accompanied me to the polling places, where I deposited my ballot. Just as I was about to vote, one of the strongest Republicans of the precinct, then acting as a challenger for his party, suggested that as a mark of respect to their townsman they take off their hats. The suggestion was adopted by all excepting one. I relate this incident because, although the compliment was somewhat embarrassing at the time, I appreciated it, as it showed the personal good will which, as a rule, was manifested toward me in my home city by those who did not agree with me on political questions. The Home Guards took me to the door of my house, where I thanked them for the consideration which they had shown, and the sacrifices which they made during the campaign.

When necessity no longer spurred me to exertion, I began to feel the effects of long continued labor and sought rest in bed. As soon as the polls were closed the representatives of the press, drawn by friendliness and enterprise, assembled in the library below to analyze the returns, while Mrs. Bryan brought the more important bulletins to my room—her face betraying their purport before I received them from her hand. As the evening progressed the indications pointed more and more strongly to defeat, and by eleven o'clock I realized that, while the returns from

the country might change the result, the success of my opponent was more than probable. Confidence resolved itself into doubt, and doubt, in turn, gave place to resignation. While the compassionless current sped hither and thither, carrying its message of gladness to foe and its message of sadness to friend, there vanished from my mind the vision of a President in the White House, perplexed by the cares of state, and, in the contemplation of the picture of a citizen by his fireside, free from official responsibility, I fell asleep.

McKINLEY IN THE WHITE HOUSE

By Charles S. Olcott

HAVING served through the Civil War, from which he emerged a major, and seven consecutive terms in Congress, besides two terms as Governor of Ohio, McKinley became the twenty-fifth President of the United States on March 4, 1897. His campaign was unusual in that he remained at Canton, Ohio, throughout it, making some 300 speeches from the porch of his home and there addressing an aggregate of a million persons.

The Republican party platform on which he was elected committed his administration to the gold standard and to a Protective Tariff, as opposed to the free silver and freer-trade campaign of Bryan. In his "Life of William McKinley," from which this account is taken, by permission of Houghton Mifflin Company, Olcott credits McKinley with receiving a majority of 286,257 votes—the first President since Grant to receive a majority of the popular vote. Under his administration a decided boom in business followed the passage of the Dingley tariff measure.

second term, there were eleven States not yet readmitted to the Union, and which did not vote.

THE administration of William McKinley began on the 4th of March, 1897, in an atmosphere of friendliness and hearty good-will. Not since the days of Grant had a President entered upon his duties with a majority of the popular vote. Hayes and Harrison each received fewer votes than his unsuccessful opponent, while Garfield and Cleveland, though receiving small pluralities, failed to command the support of a majority of the electorate. Lincoln went into office the first time with over sixty per cent of the voters opposed to him, and though he received a nominal majority for his

McKinley went into the Presidency with 7,111,607 votes at his back, constituting a clear majority over all opposing candidates of 286,257 votes. In addition he had the personal good-will of a large proportion of those who voted against him. Not an important newspaper in any of the large cities manifested a spirit of hostility. Everywhere a prevailing atmosphere of hopefulness and cordial good-will seemed to have taken possession of the people. Those who believed in Protection rejoiced that the greatest champion of their cause was now in a position of power. Of those who opposed Protection, many allowed their joy in the overthrow of the Free-Silver specter to drown for the moment any fears they might have entertained. Moreover, the genial nature of the successful candidate had made a strong appeal to the masses, and generally speaking the people of the United States wished William McKinley success and prosperity.

The outgoing administration bore a conspicuous part in this general manifestation of good-will. To those who were in the White House on the night of the election it is known that the Democratic President was sincerely gratified by the result, while his Secretary of the Treasury, Mr. Carlisle, made no secret of his elation at the overthrow of the Silver fallacy. Early in February, President Cleveland sent a cordial and gracious letter to his successor, with an invitation to dine at the White House on the eve of the inauguration, to which the President-elect responded in the heartiest manner. There was the ring of sin-

cerity in the exchange of greetings between the two men, each of whom entertained a genuine feeling of respect and admiration for the other, notwithstanding their diverse political opinions. Cleveland's entire Cabinet seconded the efforts of their chief to extend a hospitable welcome to the new administration, each retiring secretary manifesting a spirit of practical helpfulness to his successor. Never before in the history of the country had there been a more courteous transfer of authority. It is worthy of note, also, by way of contrast with previous transitions of the government from one party to another, that the only immediate change in the personnel of the public service was in the offices of the President, Vice-President, and members of the Cabinet. Change in the civil service, under a law which McKinley had helped to put upon the statute books, and which Cleveland had greatly extended in its application, had completely overthrown the spoils system, and though Republicans were eventually appointed in many instances to succeed Democrats, the substitutions were made gradually and with reference to fitness for the office, rather than to mere sectionalism or partisanship. The old-fashioned scramble for patronage had to a large extent disappeared.

Inauguration day on the 4th of March, 1897, found President McKinley face to face with many serious problems. The country was suffering from a widespread industrial depression. The Tariff of 1894 had not only greatly unsettled the manufacturing and

commercial interests, but had failed to provide sufficient revenue for the expenses of the government. A steadily increasing fear had spread over the country, lest the gold standard should not be maintained. The party in power in the preceding administration was divided against itself, President Cleveland standing firmly for a sound currency, while the Democratic members of Congress were largely in favor of the free coinage of silver. The loss of confidence led to the presentation of an immense volume of legal tender notes for redemption, and the reserve fund of \$100,000,000 in gold, which for a long time had been considered by the Treasury and the public as a necessary safeguard, was rapidly depleted. Again and again President Cleveland had been forced to borrow money to replenish the reserve. The purchasers of bonds would, to a large extent, obtain the gold with which to pay for them by presenting greenbacks for redemption, thus depleting the reserve still further for the purpose of replenishing it! The bond issues, therefore, failed to accomplish their purpose, until at length the administration was compelled to bargain with a Wall Street syndicate, representing foreign bankers, to supply the necessary gold at exorbitant rates. Issues of bonds were made aggregating \$262,315,400, adding nearly \$11,111,000 to the annual interest charge.

The necessity of borrowing was greatly aggravated by the deficiency in revenues, which amounted, in the four years ending June 30, 1897, to \$155,864,184.

President Cleveland stoutly maintained that the funds received from the sale of bonds were used or needed, not for the payment of expenses, but only to make good the deficiency in the gold reserve. Yet it must be admitted that the legal tenders, redeemed by the government with gold thus borrowed, were paid out again for current expenses. It should also be remembered that the first bond issue, of February, 1894, was made necessary by the fact that, in the seven months immediately preceding, the sum of \$98,190,000 in gold coin was used by the Treasury to meet its debit balances at the New York Clearing-House—in other words, to pay expenses for which there were no other funds available.

The restoration of confidence in the intention and ability of the government to maintain the gold standard, which was needed to check this drain upon the gold reserve, was immediately accomplished by the election itself. Shortly before the election, call money was quoted at 125 per cent in Wall Street and "a long line of private individuals stood outside the United States sub-treasury's redemption window to exchange their legal tenders for gold coin. This state of affairs ended abruptly November 4, when election results were known. Money rates fell in a week to four per cent; within a day, gold coin was presented at the same sub-treasury windows for conversion into legal tenders."

There was now no danger to the gold reserve, but in the campaign so much emphasis had been put

upon the issue of sound money that loud demands were made, particularly by Democrats who had supported the Republican candidate, for legislation that would irrevocably fix upon gold as the single standard. On the Republican side it was claimed that the election was a victory for Protection as well as Sound Money, and McKinley, as the foremost Protectionist of the country, was expected to correct the adverse legislation of 1894.

Nor were the domestic problems the only ones requiring serious thought. The Cuban question was rapidly reaching a point when action of some kind on the part of the United States would soon be inevitable, and in addition there was the annexation of Hawaii still awaiting settlement, besides a pending treaty of arbitration with Great Britain, and numerous other matters of minor importance.

Rightly deciding that the first duty of the nation was to put its own house in order, the President in his Inaugural Address placed the emphasis upon the immediate necessity of providing adequate revenue. He called attention to the industrial disturbances from which the country was suffering and for which speedy relief must be had. He pointed to the necessity of a revision of the financial system, and declared that this could be accomplished "with adequate revenue secured, but not until then." To provide against increasing the public debt was the "mandate of duty, the certain and easy remedy for most of our financial difficulties." The receipts of the government

must be made to equal or exceed the expenditures, otherwise a deficiency is inevitable. "While a large annual surplus of revenue may invite waste and extravagance, inadequate revenue creates distrust and undermines public and private credit." Deficiencies, he pointed out, can be met either by loans or by increased revenue. "Between more loans and more revenue there ought to be but one opinion. We should have more revenue, and that without delay, hindrance or postponement. A surplus in the Treasury created by loans is not a permanent nor safe reliance. . . . The best way for the government to maintain its credit is to pay as it goes—not by resorting to loans, but by keeping out of debt—through an adequate income secured by a system of taxation, external or internal, or both."

In these plain words so characteristic of McKinley for their simplicity and common sense, the President correctly indicated the starting-point where the country might expect to begin a successful rebuilding of its shattered industries. Revenue first, was the important consideration. The method of raising this necessary revenue must be through the restoration of the principles of the Protective Tariff. That, in the President's judgment, had been as clearly demanded by the people at the polls as the soundness of our money. He maintained that protective tariff legislation had "always been the firmest prop of the Treasury," and that the passage of such laws would strengthen the credit of the government both at home

and abroad, and go far toward stopping the drain upon the gold reserve. With confidence restored, the revision of the currency laws could proceed with deliberation, until the right solution should be agreed upon.

Perhaps the public who heard or read these expressions in the Inaugural Address did not fully realize the shrewdness of judgment that lay behind them. The President knew that more revenue was not only imperatively demanded, but was obtainable at an early date. He also knew that any change in the currency laws intended to establish more securely the soundness of our money would be practically impossible under conditions then existing. The Fifty-fourth Congress, elected in 1894, was strongly Republican, and had already taken steps to prepare a tariff bill along the lines which the President would naturally favor. The Fifty-fifth Congress was also Republican in both branches, and on the Tariff the party was united. A bill to provide revenue along the lines of protection could therefore be expected to pass readily—although as the event proved there were difficulties in the Senate. On the other hand, the prospect for such legislation on the currency as the country imperiously demanded was not so bright. The House was anti-Silver by a good majority, but this was not so in the Senate, where there were 46 Republicans, 34 Democrats, 5 Populists, 3 Independents, and 2 Silver Party men. The combined opposition were all in favor of free silver and could count

at least four Republicans to act with them. Any attempt to pass a gold-standard measure through a Senate of such complexion would have been futile.

Under these circumstances, the President's determination to settle the Tariff question first of all, and for that purpose, to call an extra session of Congress immediately, was a wise one.

THE ANNEXATION OF HAWAII

Text of the Treaty

FOLLOWING a succession of internal disorders and the previous submission to Congress, by President Harrison, of a treaty of annexation, which was withdrawn by Cleveland, the accompanying treaty with Hawaii was negotiated by McKinley, in 1897, through Secretary of State Sherman. Besides Sherman's, the treaty bears the signatures of the three commissioners, Hatch, Thurston and Kinney.

In 1894 Hawaii had been proclaimed a Republic, with Sanford B. Dole as President. The subsiding of the political excitement over the annexation question that had disturbed the second Cleveland administration, and the Republicans being again in power, the Hawaiian government renewed the negotiations, which resulted in the formal annexation of the islands August 12, 1898. Two years later Hawaii was organized as a Territory, with ex-President Dole as Governor; and it has since been a part of the United States under Territorial administration.

mutual and permanent welfare.

To this end the high contracting parties have conferred full powers and authority upon their respectively appointed plenipotentiaries, to wit:

The President of the United States, John Sherman, Secretary of State of the United States.

The President of the Republic of Hawaii, Francis March Hatch, Lorrin A. Thurston, and William A. Kinney.

ARTICLE I.

The Republic of Hawaii hereby cedes absolutely and without reserve to the United States of America all rights of sovereignty of whatsoever kind in and over the Hawaiian Islands and their dependencies; and it is agreed that all territory of and appertaining to the Republic of Hawaii is hereby annexed to the United States of America under the name of the Territory of Hawaii.

ARTICLE II.

The Republic of Hawaii also cedes and hereby transfers to the United States the absolute fee and ownership of all public, government or crown lands, public buildings, or edifices, ports, harbors, military equipments, and all other public property of every kind and description, belonging to the Government of the Hawaiian Islands, together with every right and appurtenance thereunto appertaining.

The existing laws of the United States relative to public lands shall not apply to such lands in the Hawaiian Islands, but the Congress of the United States shall enact special laws for their management and dis-

position. Provided that all revenues from or proceeds of the same, except as regards such part thereof as may be used or occupied for the civil, military or naval purposes of the United States, or may be assigned for the use of the local government, shall be used solely for the benefit of the inhabitants of the Hawaiian Islands for educational and other public purposes.

ARTICLE III.

Until Congress shall provide for the government of such islands all the civil, judicial and military powers exercised by the officers of the existing government in said islands shall be vested in such person or persons, and shall be exercised in such manner as the President of the United States shall direct; and the President shall have power to remove said officers and fill the vacancies so occasioned.

The existing treaties of the Hawaiian Islands with foreign nations shall forthwith cease and determine, being replaced by such treaties as may exist, or as may be hereafter concluded between the United States and such foreign nations. The municipal legislation of the Hawaiian Islands, not enacted for the fulfillment of the treaties so extinguished, and not inconsistent with this treaty nor contrary to the Constitution of the United States, nor to any existing treaty of the United States, shall remain in force until the Congress of the United States shall otherwise determine.

Until legislation shall be enacted extending the United States customs laws and regulations to the Hawaiian Islands, the existing customs relations of the Hawaiian Islands with the United States and other countries shall remain unchanged.

ARTICLE IV.

The public debt of the Republic of Hawaii, lawfully existing at the date of the exchange of the ratifications of the treaty, including the amounts due to depositors in the Hawaiian Postal Savings Bank, is hereby assumed by the Government of the United States, but the liability of the United States in this regard shall in no case exceed \$4,000,000. So long, however, as the existing government and the present commercial relations of the Hawaiian Islands are continued, as hereinbefore provided, said government shall continue to pay the interest on said debt.

ARTICLE V.

There shall be no further immigration of Chinese into the Hawaiian Islands, except upon such conditions as are now or may hereafter be allowed by the laws of the United States, and no Chinese by reason of anything herein contained shall be allowed to enter the United States from the Hawaiian Islands.

ARTICLE VI.

The President shall appoint five commissioners, at least two of whom shall be residents of the Hawaiian Islands, who shall, as soon as reasonable and practicable, recommend to Congress such legislation for the Territory of Hawaii as they shall deem necessary or proper.

ARTICLE VII.

This treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate, on the one part; and by the President of the Republic of Hawaii, by and with the advice and consent of the Senate, in accordance with the Constitution of said Republic, on the other; and the ratifications hereof shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the above articles and have hereunto affixed their seals.

Done in duplicate at the city of Washington, this sixteenth day of June, one thousand, eight hundred and ninety-seven.

JOHN SHERMAN. [Seal.]

FRANCIS MARCH HATCH. [Seal.]

LORRIN A. THURSTON. [Seal.]

WILLIAM A. KINNEY. [Seal.]

THE DESTRUCTION OF THE "MAINE" IN HAVANA HARBOR

A Contemporary Press Account

IN these dispatches from Havana to the New York "Sun," dated February 15-16, 1898, is recounted the tragic bombing of the United States battle-ship "Maine" in Havana Harbor, resulting in the death of 226 American officers and men and the complete destruction of the ship.

A court of inquiry, Captain (afterwards Admiral) W. T. Sampson presiding, promptly reported that the vessel was destroyed by the explosion of a submarine mine. This finding was confirmed by a joint army and navy board, headed by Admiral Charles E. Vreeland, fourteen years later, when the wreck of the "Maine" was floated, towed to sea and sunk. Responsibility for the explosion was never definitely fixed, although there has never been any doubt of its Spanish agency.

Cuba, under Governor-General Blanco, was in a state of insurrection at the time, and the "Maine," which was moored to a government buoy, was in the harbor for the purpose of protecting American lives and property.

the "Maine" to render assistance. No explanation of the explosion is obtainable at this time. Whether one

HAVANA, February 15.—The noise of a terrible explosion startled Havana at ten o'clock to-night. It was soon learned by the people who flocked to the water-front, whence the sound proceeded, that the explosion had occurred on the United States battle-ship "Maine" in the harbor. Definite particulars are not as yet ascertainable, but it seems certain that many persons on board the "Maine" were killed and wounded, and possibly the ship is so badly injured that she can not be saved. From the Spanish cruiser "Alfonso XII" boats were at once dispatched to the site of

of the ship's magazines blew up, or bombs were placed beside her and set off by Spaniards is not known. Because of the excitement in the city the military authorities ordered troops to quarters, and the streets were filled with jostling crowds of excited citizens and soldiers.

Havana, February 16.—2 A. M.—By a miracle Captain Sigsbee and most of the officers of the "Maine" were taken off in safety, but one hundred of the crew, it is believed, were killed. Many of the survivors were taken off by the boats of the Spanish cruiser "Alfonso XII." At this moment the hull of the ship is burning, the flames illuminating the harbor and making a striking scene for thousands gathered on the water-front. It is apparent to observers on shore that the vessel is sinking rapidly to the bottom of the bay. The entire city is panic stricken.

Washington, February 16.—4 A. M.—Secretary Long has received this telegram from Captain Sigsbee:

" 'Maine' blown up in Havana Harbor 9:40 P. M. and destroyed. Many wounded and doubtless more killed and drowned. Wounded and others on board Spanish man-of-war and Ward Line steamer. Send lighthouse-tenders from Key West for crew and few pieces of equipment still above water. No one had other clothes than then upon him. Public opinion should be suspended till further report. All officers believed to be saved. Jenkins and Merritt not yet

accounted for. Many Spanish officers, including representatives of General Blanco, now with me, and express sympathy.

"Sigsbee."

Havana, February 16.—4 P. M.—Witnesses of the explosion that destroyed the "Maine" say that at the moment of concussion a vast mass was seen to rise to a great height. In the sudden and blinding light no one seems to have been able to discern the nature of this mass or whether it rose from beside the battle-ship or inside it. Up to this time there are reported 251 killed and 99 wounded. Immediately after the report small boats hurrying to the spot from all sides picked up twenty-eight wounded men struggling in the water. Of them six were on the point of succumbing when pulled in. They were taken on board the "City of Washington" and cared for. Not one of the wounded in the military hospital has died up to this hour, but the condition of several is precarious. The "Mascotte" will take to Key West some of the injured who are in condition to be moved. American vessels are expected at any moment to arrive for the purpose of rendering any assistance possible.

From the nature of the disaster and the testimony of the survivors it appears that the line of greatest force of the explosion was a little forward of amidships. It is there that the worst damage was done. The chief officers were either well aft or ashore. Thus they escaped unhurt. The seamen and marines

by their position were forced to bear the brunt of the disaster, and the frightful mortality was almost wholly confined to them. One of the junior officers should have been on duty on the forward deck, and it may have been thus that Lieutenant Jenkins, who is missing, lost his life. It is also probable that Engineer Merritt, another missing man, was below on duty and went down with the ship. Lieutenant-Commander Wainwright, who was at first reported lost, is safe.

Five of the crew immediately after the explosion ran to the main ammunition storage-room with the idea that they might save that from explosion. None of them has since been heard of. It is almost certain that they went to the bottom, ready at their posts for duty. Captain Sigsbee, perfectly cool throughout all the excitement which followed the explosion, gave directions for looking after the sinking battle-ship and caring for the wounded.

The great battle-ship, it is thought, will be a total loss. Captain Sigsbee himself acknowledged as much. Directly after the explosion she took fire and burned so fiercely that it was only by exercising great haste that the survivors were able to escape from the ship. Although there was great confusion on the ship after the explosion, perfect discipline was maintained. All reports agree on this point. Captain Sigsbee himself was largely responsible for this state of affairs.

It was between 9:45 and 10 o'clock last night that the explosion occurred. Captain Sigsbee was below at the time, but with the report of the explosion he rushed up on deck in his shirt-sleeves. Thus attired he gave his orders. Efforts were at first made to save the vessel, but when Captain Sigsbee realized the extent of the damage done and that many casualties had occurred, he bent all his energies to assuring the safety of his men. . . .

Captain Sigsbee did not leave his sinking ship till every man had been taken off, and he remained in a boat in the neighborhood as long as there was any hope of saving any of the men who were in the water. He says he has not the slightest idea what caused the accident. He was thrown from his bed [as a fact, he was seated at a table in his cabin] by the explosion, and his head was slightly bruised, but otherwise he received no injury. The first thing he did was to go on deck and order the flooding of the large quantity of guncotton on board. The order was promptly carried out, and it is certain that no damage was done.

Lieutenant-Commander Wainwright was also in his room when the explosion occurred. He speaks in the highest terms of the coolness with which Sigsbee and the other officers faced the terrible situation. No sooner had two or three of the officers appeared on deck than an order was given to lower the boats. Four of them were immediately lowered and three were filled with men, but the fourth boat was swamped before it could be utilized. When the ex-

plosion occurred Lieutenant Blandin had charge of the deck.

A large part of the crew were in their quarters, and they were not able to get out, but went down with the ship, which sank bow first about 2,000 feet from Fort Atares. Captain Sigsbee, in all his comments to-day, has been very careful not to accuse any one of causing the explosion. All he will say is that a careful investigation will be made, and it will probably determine whether interior or exterior causes produced the disaster.

Washington, February 16.—Washington is in a state of painful excitement to-night. The city has been all day a hotbed of startling reports and sensational rumors. Public business in Congress and in the executive departments was almost at a standstill because of the awful disaster in the harbor of Havana. Officially the nation is in mourning, and social events scheduled to take place at the White House have been indefinitely postponed. No such appalling events of the sea has occurred since her Majesty's battle-ship "Victoria" was sunk a few years ago by her sister-ship, the "Camperdown," in the Mediterranean. The commanding officer went down with the ship, and 22 officers and 336 sailors with him.

Technically the "Maine" was in the harbor of Havana on a mission of peace to a friendly government. As a matter of fact, she was there for the purpose of protecting the lives and property of American citizens threatened by the repeated riotous dem-

onstrations of Spaniards enflamed against the people of the United States because of their sympathy with the people of Cuba, who are struggling to be free. The vessel was blown up in the dead of night by some unseen force in some inexplicable manner. That is all that is known now and probably all that will be known until the board of inquiry, appointed to-day, makes its investigation and submits a report.

In the meantime theories are thick as autumn leaves. Few of the higher officials of the administration and of the leaders in the Senate and House are willing to admit that they see the evidence of Spanish treachery in this tragedy that has followed a long chain of dramatic incidents connected with the controversy between Spain and the United States over the Cuban question. In their hearts there is grave fear and dark suspicion. But the consequences of fastening the guilt upon Spain would be so serious and the retaliation so prompt and severe that they hesitate to make public the existence of their misgivings. President McKinley, therefore, has allowed the impression to go abroad that he believes the calamity for which the nation mourns to be due to an inscrutable act of Providence, and his words are reéchoed by his Secretary of the Navy and other Cabinet advisers. They would be only too glad if they felt their utterance to be sincere. They desire, above all things, to have the American public suspend judgment until the facts can be ascertained.

OUTBREAK OF THE WAR WITH SPAIN

A Contemporary Account

THIS review of the immediate causes and first hostile movements of the Spanish-American War is taken from the International Year Book of 1898 (Dodd, Mead & Company). The war came of Spanish misrule in Cuba. The police power of Spain being unable to maintain order in the island, the U. S. battleship "Maine" was sent to Havana to safeguard American interests, and was blown up February 15, 1898.

National feeling grew in intensity until President McKinley sent a message to Congress, April 11, reviewing and arraigning Spanish mismanagement in Cuba. Nine days later he sent an ultimatum to the Spanish government, and diplomatic relations with Spain were severed.

The first gun was fired April 23, 1898, by the U. S. S. "Nashville" across the bows of the Spanish merchantman "Buena Ventura," and the first action occurred four days later when a small fleet under Captain Sampson shelled Matanzas.

and Santa Clara, and on April 9 the Spanish Cabinet decided to grant an armistice to the insurgents, while both the Pope and the great Powers of Europe were

BOTH Congress and the people had sunk the question of the "Maine" in the larger one of Cuban independence. Destitution among the "reconcentrados" was constantly growing worse, thousands dying slowly from starvation. American supplies were distributed to the sufferers through Miss Clara Barton, President of the Red Cross Society, and General Fitzhugh Lee, our Consul at Havana. . . .

On March 31 Captain-General Blanco issued a decree putting an end to reconcentration in the provinces of Pinar del Rio, Havana, Matanzas,

using their influence to avert a Spanish-American war. Nevertheless the replies at this time of the Madrid government to President McKinley's demands concerning the pacification of Cuba, notwithstanding the Spanish offer to arbitrate the "Maine" trouble, led the authorities at Washington to believe that pacification could not be attained without the armed intervention of the United States. The President's message to Congress, which was daily expected, was withheld . . . until April 11, 1898. . . . Both Congress and the people had grown impatient waiting for the message, and when it finally came excitement was at such a height that many condemned it for its conservatism. It was, however, a wise and ably conceived document. The President stated the entire issue, rightly considering the "Maine" disaster a subordinate matter, and passed in review Spanish mismanagement and outrage in Cuba, and the repeated promises and the repeated failures of the Spanish government to effect suitable reforms. . . .

The conclusion of the long message and the really important part was as follows:

"The only hope of relief and repose from a condition which can no longer be endured is the enforced pacification of Cuba. In the name of humanity, in the name of civilization, in behalf of endangered American interests, which give us the right and the duty to speak and act, the war in Cuba must stop.

"In view of these facts and of these considerations, I ask the Congress to authorize and empower the

President to take measures to secure a full and final termination of hostilities between the government of Spain and the people of Cuba, and to secure in the island the establishment of a stable government capable of maintaining order and observing its international obligations, insuring peace and tranquillity and the security of its citizens, as well as our own, and to use the military and naval forces of the United States as may be necessary for these purposes.

“And in the interest of humanity and to aid in preserving the lives of the starving people of the island, I recommend that the distribution of food and supplies be continued, and that an appropriation be made out of the public treasury to supplement the charity of our citizens.

“The issue is now with the Congress. It is a solemn responsibility. I have exhausted every effort to relieve the intolerable condition of affairs which is at our doors. Prepared to execute every obligation imposed upon me by the Constitution and the law, I await your action.” . . .

. . . The resolutions . . . were accepted by both Houses in the small hours of the morning of April 19,—by the Senate, by a vote of 42 to 35, and by the House by a vote of 310 to 6,—and were signed by the President on the following day. . . . The following is the text of the act . . .

“. . . be it resolved:

“First—That the people of the island of Cuba are, and of right ought to be, free and independent.

“Second—That it is the duty of the United States to demand, and the government of the United States does hereby demand, that the government of Spain at once relinquish its authority and government in the island of Cuba and withdraw its land and naval forces from Cuba and Cuban waters.

“Third—That the President of the United States be, and he hereby is, directed and empowered to use the entire land and naval forces of the United States, and to call into active service the militia of the several States to such an extent as may be necessary to carry these resolutions into effect.

“Fourth—That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination when that is accomplished to leave the government and control of the island to its people.”

On the 20th of April the President signed his ultimatum to the Spanish government, a copy of which was handed to Minister Polo, who immediately demanded his passports and started for Canada, leaving the interests of the Spanish legation in charge of M. Cambon, the French Minister. Before receiving the ultimatum the Spanish Cabinet delivered to Minister Woodford his passports and informed him that diplomatic relations with the United States were at an end. On the 25th a bill was passed by Congress declaring that a state of war existed between the

United States and Spain, and had so existed since and including April 21.

In the meantime war preparations were being pushed forward by both governments. The Queen-Regent signed a decree asking for a national subscription to the navy, our own navy was increased by the purchase of many more ships of various kinds, and by the middle of the month the troops throughout the country were preparing to move towards the Gulf. On the 17th two companies of the Twenty-fifth Infantry reached Key West and two days later a general movement of regular troops began. The principal rendezvous was Chickamauga, but New Orleans, Mobile, and Tampa were also places of mobilization. The President issued a call for 125,000 volunteers on April 23, which though meeting with immediate response received not a little adverse criticism, the dissatisfaction arising from the fact that in some States the infantry and artillery requisitions were not consistently apportioned, and from the fact that the Department of War proposed to use its privilege, if it chose, of destroying the integrity of State organizations when the troops were beyond State boundaries. A few days later orders were issued for recruiting the regular army up to its war strength, 61,000. On the 21st the fleet under acting Rear-Admiral Sampson at Key West was ordered to proceed to Havana and then institute a general blockade of the western end of Cuba. Commodore Schley with the "flying squadron" was detained at Hampton

Roads in order to meet any attack which might be made on the coast cities by the Spanish Cape Verde fleet, reports from which for a number of weeks subsequent were contradictory and alarming.

During the rest of the month many prizes were taken in western Cuban waters. It was not the purpose of Admiral Sampson to bombard Havana or expose his fleet to the enemy's fire from coast fortifications before he was assured of the destination of the Spanish Cape Verde and Cadiz fleets; but at the same time he determined to prevent the erection of any new fortifications. This brought about the first action of the war, the bombardment of the works . . . at Matanzas, April 27. . . .

THE BATTLE OF MANILA BAY

By Commodore George Dewey

THESE are the dispatches from Commodore Dewey to the Navy Department which electrified the country with news of his overwhelming victory at Manila Bay within a fortnight of the declaration of war. The action, which lasted from 5:41 a. m. (with an interruption of three hours) till 12:30 p. m., May 1, 1898, ended in the destruction of 11 Spanish vessels and the silencing of the fortifications. The American casualties were 7 wounded; Spain admitted a loss of 634 killed and wounded. Incidentally, a shot was fired across the bow of one of the German warships in the harbor to impress the German admiral with the fact that the American navy had established a blockade. It was respected.

Dewey received the thanks of Congress and the title of admiral for life. Thus the hero of Manila Bay was an active officer in the navy at the age of eighty, when he died, in 1917.

were slightly wounded. I request the Department will send immediately from San Francisco fast steamer with ammunition. The only means of telegraphing is to the American consul at Hongkong.

DEWEY. . . . HONGKONG, MAY 7, 1898. (MANILA, MAY 1.)

SIR: I have the honor to submit the following report of the operations of the squadron under my command:

The squadron left Mirs Bay on April 27, immediately on the arrival of Mr. O. F. Williams, United States consul at Manila, who brought important information and who accompanies the squadron.

Arrived off Bolinao on the morning of April 30 and, finding no vessels there, proceeded down the coast and arrived off the entrance to Manila Bay on the same afternoon. . . .

The "Boston" and "Concord" were sent to reconnoiter Port Subic, I having been informed that the enemy intended to take position there. A thorough search of the port was made by the "Boston" and "Concord," but the Spanish fleet was not found, although, from a letter afterwards found in the arsenal . . . it appears that it had been their intention to go there.

Entered the Boca Grande, or south channel, at 11:30 p. m., steaming in column at distance at 8 knots. After half the squadron had passed, a battery on the south side of the channel opened fire, none of the shots taking effect. The "Boston" and "McCulloch" returned the fire.

The squadron proceeded across the bay at slow speed, and arrived off Manila at daybreak, and was fired upon at 5:15 a. m. by three batteries at Manila and two at Cavite and by the Spanish fleet anchored in an approximately east and west line across the

mouth of Bakor Bay, with their left in shoal water in Canacao Bay.

The squadron then proceeded to the attack, the flagship "Olympia," under my personal direction, leading, followed at distance by the "Baltimore," "Raleigh," "Petrel," "Concord" and "Boston," in the order named, which formation was maintained throughout the action. The squadron opened fire at 5:41 a. m. While advancing to the attack, two mines were exploded ahead of the flagship, too far to be effective.

The squadron maintained a continuous and precise fire at ranges varying from 5,000 to 2,000 yards, countermarching in a line approximately parallel to that of the Spanish fleet. The enemy's fire was vigorous, but generally ineffective.

Early in the engagement two launches put out toward the "Olympia" with the apparent intention of using torpedoes. One was sunk and the other disabled by our fire and beached before an opportunity occurred to fire torpedoes. At 7 a. m. the Spanish flagship "Reina Christina" made a desperate attempt to leave the line and come out to engage at short range, but was received with such galling fire, the entire battery of the "Olympia" being concentrated upon her, that she was barely able to return to the shelter of the point. The fires started in her by our shell at this time were not extinguished until she sank.

At 7:35 a. m., it having been erroneously reported to me that only 15 rounds per gun remained for the 5-inch rapid-fire battery, I ceased firing and withdrew the squadron for consultation and a redistribution of ammunition, if necessary.

The three batteries at Manila had kept up a continuous fire from the beginning of the engagement, which fire was not returned by this squadron. The first of these batteries was situated on the south mole head at the entrance to the Pasig River, the second on the south bastion of the walled city of Manila, and the third at Malate, about one-half mile farther south. At this point I sent a message to the Governor-General to the effect that if the batteries did not cease firing the city would be shelled. This had the effect of silencing them.

At 11:16 a. m., finding that the report of scarcity of ammunition was incorrect, I returned with the squadron to the attack. By this time the flagship and almost the entire Spanish fleet were in flames, and at 12:30 p. m. the squadron ceased firing, the batteries being silenced and the ships sunk, burnt and deserted.

At 12:40 p. m. the squadron returned and anchored off Manila, the "Petrel" being left behind to complete the destruction of the smaller gunboats, which were behind the point of Cavite. This duty was performed by Commander E. P. Wood in the most expeditious and complete manner possible. . . .



COL. ROOSEVELT LEADING "THE CHARGE UP SAN JUAN HILL"
FROM THE PAINTING BY FREDERIC REMINGTON

I am unable to obtain complete accounts of the enemy's killed and wounded, but believe their loss to be very heavy. The "Reina Christina" alone had 150 killed, including the captain, and 90 wounded.

I am happy to report that the damage done to the squadron under my command was inconsiderable. There was none killed, and only 7 men in the squadron were slightly wounded. As will be seen by the reports of the commanding officers, which are herewith inclosed, several of the vessels were struck and even penetrated, but the damage was of the slightest, and the squadron is in as good condition now as before the battle. . . .

On May 2, the day following the engagement, the squadron again went to Cavite, where it remains. . . .

On the 3d the military forces evacuated the Cavite arsenal, which was taken possession of by a landing party. On the same day the "Raleigh" and the "Baltimore" secured the surrender of the batteries on Corregidor Island, paroling the garrison and destroying the guns.

On the morning of May 4 the transport "Manila," which has been aground in Bakor Bay, was towed off and made a prize.

U. S. NAVAL FORCE ON ASIATIC STATION,
Flagship "Olympia," Cavite, Philippine Islands,
May 4, 1898.

THE BATTLE OF SAN JUAN HILL

By Colonel Theodore Roosevelt

A FEW days before the Rough Riders made their famous charge up San Juan Hill, as Roosevelt relates in his "Autobiography," from which this account is taken, by permission of the Macmillan Company, he was made a full colonel of volunteers because of his gallantry at Las Guasimas. At both Las Guasimas and San Juan the Rough Riders, then commanded by Wood and Roosevelt, fought on foot, the horses of the regiment not having been transported to Cuba. As a result of these two engagements Colonel Wood was made a brigadier-general.

Colonel Roosevelt characteristically states here that he "had not enjoyed the Guasimas fight at all," probably because "only eight of the Rough Riders were killed and thirty-four wounded" out of the American loss of 1614 killed and wounded in the Santiago campaign. It ended July 15, 1898, with the capitulation of Santiago.

up and down the lines, keeping them straightened out, and gradually worked through line after line until I found myself at the head of the regiment. By the time I had reached the lines of the regulars of the first brigade I had come to the conclusion that it was silly

I HAD not enjoyed the Guasimas fight at all, because I had been so uncertain as to what I ought to do. But the San Juan fight was entirely different. The Spaniards had a hard position to attack, it is true, but we could see them, and I knew exactly how to proceed. I kept on horseback, merely because I found it difficult to convey orders along the line, as the men were lying down; and it is always hard to get men to start when they cannot see whether their comrades are also going. So I rode

to stay in the valley firing at the hills, because that was really where we were most exposed, and that the thing to do was to try to rush the intrenchments. Where I struck the regulars there was no one of superior rank to mine, and after asking why they did not charge, and being answered that they had no orders, I said I would give the order. There was naturally a little reluctance shown by the elderly officer in command to accept my order, so I said, "Then let my men through, sir," and I marched through followed by my grinning men. The younger officers and the enlisted men of the regulars jumped up and joined us. I waved my hat, and we went up the hill with a rush. Having taken it, we looked across at the Spaniards in the trenches under the San Juan blockhouse to our left, which Hawkins's brigade was assaulting. I ordered our men to open fire on the Spaniards in the trenches.

Memory plays funny tricks in such a fight, where things happen quickly, and all kinds of mental images succeed one another in a detached kind of way, while the work goes on. As I gave the order in question there slipped through my mind Mahan's account of Nelson's orders that each ship as it sailed forward, if it saw another ship engaged with an enemy's ship, should rake the latter as it passed. When Hawkins's soldiers captured the blockhouse, I, very much elated, ordered a charge on my own hook to a line of hills still farther on. Hardly anybody heard this order, however; only four men started with me, three of

whom were shot. I gave one of them, who was only wounded, my canteen of water, and ran back, much irritated that I had not been followed—which was quite unjustifiable, because I found that nobody had heard my orders. General Sumner had come up by this time, and I asked his permission to lead the charge. He ordered me to do so, and this time away we went, and stormed the Spanish intrenchments.

There was some close fighting, and we took a few prisoners. We also captured the Spanish provisions, and ate them that night with great relish. . . . Lieutenant Howze, of the regulars, an aide of General Sumner's, brought me an order to halt where I was; he could not make up his mind to return until he had spent an hour or two with us under fire. The Spaniards attempted a counter-attack in the middle of the afternoon, but were driven back without effort, our men laughing and cheering as they rose to fire, because hitherto they had been assaulting breastworks or lying still under artillery fire, and they were glad to get a chance to shoot at the Spaniards in the open. We lay on our arms that night and as we were drenched with sweat, and had no blankets save a few we took from the dead Spaniards, we found even the tropic night chilly before morning came.

During the afternoon's fighting, while I was the highest officer at our immediate part of the front, Captains Boughton and Morton of the regular cavalry, . . . came along the firing line to tell me that they had heard a rumor that we might fall back, and that

they wished to record their emphatic protest against any such course. I did not believe that there was any truth in the rumor, for the Spaniards were utterly incapable of any effective counter-attack. . . . In my part of the line the advance was halted only because we received orders not to move forward, but to stay on the crest of the captured hill and hold it.

We are always told that three-o'clock-in-the-morning courage is the most desirable kind. Well, my men and the regulars of the cavalry had just that brand of courage. At about three o'clock in the morning after the first fight, shooting began in our front and there was an alarm of a Spanish advance. I was never more pleased than to see the way in which the hungry, tired, shabby men all jumped up and ran forward to the hill-crest, so as to be ready for the attack; which, however, did not come. As soon as the sun rose the Spaniards again opened upon us with artillery. . . .

Next day the fight turned into a siege; there were some stirring incidents; but for the most part it was trench work. A fortnight later Santiago surrendered.

THE CAPTURE OF SANTIAGO—AND DEFEAT OF CERVERA.

By Andrew S. Draper

DRAPER, from whose "Rescue of Cuba" this account of the land and sea Battle of Santiago is taken, by permission of Silver, Burdett & Company, was for ten years president of the University of Illinois, was New York State Commissioner of Education and an eminent historian. His record of events in Cuba during 1898 is signalized by historic accuracy and enthusiastic presentation.

Since Dewey's victory at Manila Bay, the mobilization of 200,000 volunteers swiftly progressed, and on July 3, 1898, a force of 16,000 Americans under Shafter was coöperating with 5,000 Cubans under Garcia in the assault on Santiago. It was defended by 12,000 Spanish troops, with Cervera's fleet of 6 warships in the harbor. That morning Cervera sought to escape and lost his fleet, along with about 2,050 men killed and captured. The American loss under Sampson and Schley was one man killed and ten wounded. was watching the harbor of Cienfuegos on the southern coast of Cuba, where Cervera was reported to be hidden.

ABOUT May 11th the Spanish flotilla was definitely reported at the French island of Martinique, and shortly afterward at the island of Curaçao, just north of Venezuela. While Sampson was returning from his hunt for Cervera at Porto Rico, the Spaniard was sailing due northwest for Santiago de Cuba, which he reached on May 19th. His arrival at Santiago was not known by the Americans with certainty for several days. While Sampson kept guard near Key West, Commodore Schley with the "flying squadron,"

At last his hiding-place at Santiago was discovered, and on May 28th, Schley, with his flag-ship, the "Brooklyn," accompanied by the "Massachusetts," the "Texas," the "Iowa," the "Marblehead," the "Minneapolis," the "Castine," the torpedo-boat "Du-pont," and the auxiliary cruiser "St. Paul," the coaling-ship "Merrimac," and others, arrived off Santiago; and the next day they were able to look through the narrow neck of the bottle-shaped harbor and to see the enemy's ships lying safely at anchor behind the frowning fortifications and the network of submarine torpedoes.

To verify fully the assurance that all the Spanish vessels were there, Lieutenant Victor Blue, of the navy, made a daring and famous reconnaissance. He landed and, at the greatest risk, climbed the hills, counted the enemy's ships, and returned with the report that the five cruisers and two torpedo-boats were actually imprisoned in the bay.

In a few days Rear-Admiral Sampson, with the flag-ship "New York," and the battleship "Oregon," the cruiser "New Orleans," and several auxiliary vessels and torpedo-boats, reënforced Commodore Schley and took command of the fleet that was keeping Cervera "bottled" in Santiago.

Lieutenant Hobson took the coaling-ship "Merri-mac" by night beneath the guns of the forts, and while under terrific fire from both shores, endeavored to anchor his ship in the narrow channel, to sink her by his own hand, in order to leave her a wreck to

block the Spanish ships if they should attempt to escape. That the "Merrimac" was not sunk at the precise spot intended was due to the rudder being shot away. When morning came he and his six companions who had volunteered for the enterprise were, as by a miracle, alive and unhurt, clinging to a raft. The fact that the attempt to close the harbor was not fully successful does not detract from the sublime heroism of the men.

The situation now was this: The Spanish fleet was indeed besieged; it might dash for liberty, but, in the face of such a superior and vigilant force, it would have but little chance. On the other hand, the besiegers were unable to reach it so long as it chose to remain in its haven; the narrow channel was a network of submarine mines which would sink the first vessel that entered; and the lofty forts on the cliffs above could at such close range pour down an annihilating torrent of shells upon the thin decks of the attacking ships, which, at that nearness, could not lift their guns sufficiently to silence the batteries. Their elevation was so great that successive bombardments, though they damaged, did not destroy, the batteries.

Nevertheless, until they were destroyed or captured it was evident that the ships could not advance into the channel to clear it of its sunken torpedoes. The aid of the army was therefore necessary. A force by land was required to capture the harbor forts, so that the battleships might steam in and engage the Spanish fleet. Accordingly, General Shafter was ordered to

take his troops, land near Santiago, and capture the forts.

Before he started, however, the navy, on June 10th, made a landing. It was the first permanent foothold gained by Americans on Cuba. Under the protection of the guns of the "Oregon" the "Marblehead," and the "Yosemite," six hundred marines landed at Guantanamo Bay, in command of Lieutenant-Colonel R. W. Huntington. Their landing was stoutly resisted by the Spaniards. All day and all night the fighting continued, as the little band desperately defended their camp from the continuous and encircling volleys. Here were the first American lives lost on Cuban soil. But, in spite of their severe losses, the marines held the flag where they had planted it.

General Shafter's expedition started on June 14th. Thirty-five transports carried sixteen thousand men. They went under the protection of fourteen armed vessels of the navy. The battle-ship "Indiana" led the way. Six days later they came in sight of Morro Castle at the entrance to the bay of Santiago, and soon they heard the cheers from the battle-ships on duty there.

On the second morning thereafter, the battle-ships shelled the shore at four different points along the forty miles of coast in order to mislead the Spaniards; and then at nine o'clock the signal was given for all the troops to go ashore as quickly as possible at Daiquiri, sixteen miles east of the entrance to Santiago Harbor and twenty-four miles west of Guantanamo.

amo, where the marines were still maintaining the flag they had planted.

In a moment the water was covered with small boats. Men jumped overboard and swam to shore in their eagerness to be first upon the land. Soon the beach was black with American soldiers. The Spaniards had fled in haste, leaving their camp equipment, and in some cases their breakfasts, behind them. Then the unloading of the transports began. Men with little or no clothing upon them went to and fro, between the ships and the shore, carrying arms and supplies. The artillery was landed at the one little wharf of an iron company. The horses and mules were pushed overboard and left to swim ashore; though some of them swam out to the open ocean and could not get back.

In a short time four men were seen climbing the mountain-side hundreds of feet above the level of the sea. Soon the tiny figures were attracting the attention of the crowd. They were making for the block-house at the highest peak. They could be seen to stop and look into the fort for a moment; then to reach the house. Directly "Old Glory" appeared waving against the sky. In an instant every steam whistle in the great fleet, for miles around, was shrieking, and every man on the decks and in the rigging of the ships, in the water and on the shore, was shouting for the flag of freedom and for what it represented and proclaimed. The little army was stretched out upon the shore, and that night its camp-fires sparkled

for miles against the black background of the hills.

The advance upon Santiago was begun immediately. General Shafter understood clearly that he had more to fear from climatic sickness than from the enemy's bullets, and determined to finish the fight with the greatest rapidity possible. Consequently he did not wait for the unloading of all his supplies, but pushed his men forward over the mountain paths with only such outfit as they could carry on their backs, intending to follow them closely with the heavy artillery and baggage.

But he was not aware of the true condition of the roads. There were no roads. What were called such on the maps were at best only bridle-paths, and more often mere mountain trails. These trails passed over rocks, fallen timber, through swamps, and over bridgeless streams. The soldiers, as soon as they began to march, found themselves an army of mountain-climbers. The sun burned in the breathless glades like a furnace. It was the rainy season, and each day showers of icy coldness would pour down for hours; and when the rain ceased the sun would beat down more fiercely than before, while the humidity was almost insupportable. Sun-baked paths suddenly became mountain torrents; at one hour the men were suffocated with the fine dust, the next hour they were wading in mud above their gaiters. Strange insects buzzed about them, and they were followed by an army of disagreeable attendants with which they soon

became familiar—clattering land-crabs, the scavengers of the country. The progress of the troops was a crawling rather than a march.

The Spaniards withdrew as our soldiers advanced. Most of our men never had heard a gun fired in battle, but now they expected the conflict to begin at any time. There was no trepidation; they made little noise lest they might not get near the enemy. But if the army moved slowly, events moved rapidly. On the second day, even before the whole army was ashore, the first battle with loss of life occurred. The troops were advancing by different paths to take position on the line of battle that was to surround the city. Near the center was the First Regiment of United States Volunteer Cavalry, called the "Rough Riders."

This regiment of cowboys and ranchmen, with a sprinkling of college youths and young men of wealth and social distinction, was commanded by Colonel Leonard Wood and Lieutenant-Colonel Theodore Roosevelt. The former had been a surgeon in the regular army with military training in Western campaigns on the plains. The latter was one of the best-known young men in the Republic; famous for his courageous honesty in politics and for his patriotic energy in civil administration. He had resigned the office of Assistant Secretary of the Navy to organize this unique and picturesque regiment under the command of his friend, Colonel Wood.

The Rough Riders had left their horses in Florida because of the difficulty of transportation and the lack

of open ground in Cuba. As they were threading their way on foot over the hills, their trail joined that of the regulars at the place called Guasimas. There they received a sudden volley from the enemy concealed in the thick glades, but they held their ground and returned the fire. They were unable to see their foes, whose smokeless powder gave no trace of their location; but through the tall grass and brush they steadily pushed on in the face of the dropping death, firing with calm precision. One after another of the Riders dropped dead or grievously wounded, but these young men, who never had been under fire, no more thought of turning back than a college team at a football game. Their colonels handled carbines like the men, and were at every point in the line they had deployed through the brush.

Soon they were joined by the colored regulars, and then they fought together. Among the Rough Riders and the regulars engaged there were about one thousand men, and they were fighting four thousand Spaniards.

The wounded that could walk were urged to go to the rear, but most of them refused; and, sitting at the foot of the trees, continued their deadly marksmanship at any sign of the Spanish. When there was an opening in the glades the men crouched and crawled toward the enemy; when there was a little protection of trees, they dashed forward, firing as they went. The Spaniards did not understand this kind of fighting. According to their rules, after such murderous

volleys as they had poured into the Americans, their enemy should have fallen back. Instead of this, as one of the Spanish prisoners said, "They kept pushing forward as if they were going to take us with their hands."

After two hours of this fighting, under the unfaltering advance and accurate fire of the Americans, the Spanish volleys became fewer and less effective. Then the Spaniards broke and ran. When the battle was over, the American soldiers had lost sixteen killed and fifty-two wounded, but they were two miles nearer Santiago than when they met their first fire.

It had been a strange battle, appealing peculiarly to the patriotic pride of the American people. On that day, college men and the bronzed cowboys of the plains, millionaires and negroes, all were standing upon the common level of American citizenship, true brothers in devotion to duty; and there were no differences in courage or manliness. . . .

The city of Santiago is so located, at the head of its long harbor, that a complete line of investiture would stretch from the seacoast on the east to a point near the head of the harbor on the west of the city—a line resembling a huge fishhook. At the northern end of this line, where the shank of the hook begins to turn into the curve, and about four miles northeast from Santiago, is the suburb of El Caney; one mile east of El Caney is San Juan. The hills of El Caney and San Juan each slope rather sharply to the eastward, the direction from which our troops

were coming. Between the foot of these ridges and the woods is open country. To march across this open is difficult because of gulleys, winding streams, thick grass and low bushes. . . .

A general advance along the whole length of the American line was begun in the afternoon of June 30th. General Lawton's division was to attack El Caney. General Kent's division, with General Wheeler's division of dismounted cavalry, was to move against San Juan. On the morning of July 1st General Lawton's division was in the shape of a half-circle around El Caney. At five o'clock in the morning the advance on the town was begun.

At sunrise the Spanish flag was run up its staff, and immediately the American guns opened fire. At first the shells brought no answer, but soon the enemy's artillery began to drop shells into the American lines with unexpected accuracy, while from the trenches and the loopholes of the stone fort and of the fortified houses the infantry poured at the American position a sweeping and effective fire. The battle lasted all day. Men were dying on every side. One journalist who was with the command counted twenty-five dead in an hour. The officers advised and steadied the men, who were no less heroic than themselves; yet many officers disdained to crouch as they compelled their men to do, and, as conspicuous targets, they were dropping in large numbers. For most of these soldiers it was their first battle; yet there was no evidence of panic, nor was a single act

of cowardice observed. The foreign military attachés who were present were astounded at the steadiness of these soldiers, who were receiving their first baptism of fire. . . .

At half-past three the broken and bushy ground had been crossed and the Americans were facing the trenches. The order was passed down the line for a general rush. With a roaring cheer the regiments leapt to their feet and dashed at the hill. They did not go in ranks—scarcely in companies. It was a race to reach the trenches and to swarm around the fort.

Captain Haskell, of the Twelfth Infantry, was conspicuous in the rush, his long white beard streaming back like the plume of Henry of Navarre. Officers and men dropped in appalling numbers in the gusts of death. But no force was able to check that charge. Prying down the barbed-wire fences, cheering with that thunderous yell which only Americans can give, they closed over the trenches, which were found filled with dead men. In a moment more the blue uniforms were seen around the fortifications on the hilltop; the barricaded doors were broken in and holes were made in the roofs. But the Spaniards had finished their fight. The barricaded streets of El Caney offered little resistance. A few shots more, and the town was in the hands of the exhausted but jubilant Americans.

After taking El Caney the American outposts were at once pushed forward beyond the town, and also within rifle-shot of the entrenchments of San Juan. While the Battle of El Caney was going on, the

troops there engaged could hear the roar of the guns of El Poso, which had opened on San Juan on their left, about three miles south. El Poso is a hill about a mile and a half from the hill of San Juan. This hill is just outside of the city of Santiago, directly to the east. Looked at on its eastern side it appears like a sharp bluff. On top was a low farmhouse with broad eaves. This had been turned into a fortification by the Spanish, as had also a long shed near by. East of this farmhouse, near the edge of the hill, were long rows of Spanish trenches; back of the farmhouse, toward Santiago, was a dip in the ground, and on the rise toward the city were more trenches. Barbed-wire fences were everywhere.

Looking eastward from the bluffs of San Juan Hill is a meadow one-third of a mile in width, before one reaches the brush and trees of the forest. This meadow, in the main, is a tangle of high grass, broken by scattered trees and barbed-wire fences. A little to the northeast from San Juan is a shallow duck-pond, and just beyond this water is a low hill which, from its great sugar-kettles on top, the Americans called Kettle Hill. Beyond the rolling meadow are the woods, broken by swift winding streams; through this timber come the irregular, mountainous trails from Siboney, along which the troops had toiled, and on either side of which they had bivouacked for several days. . . .

From the high hill of El Poso, Captain Grimes's battery began firing early in the morning at the

trenches and the fortified farmhouse. But its old-fashioned powder enveloped it in smoke after each discharge, and it was at least a minute before a second aim could be taken, while its cloud of smoke made it a conspicuous target for the Spaniards; therefore it soon ceased firing and took a new position nearer the enemy.

There was a steady march of wounded men toward the rear; motionless dead were everywhere. Fainting under the heat of the sun and in the suffocation of the tall grass on the sides of the road, men were at the extremity of their endurance, with lolling tongues and staring eyes. At last endurance was no longer possible. There were no general orders to advance, for the brigade commanders knew that they had been ordered into this position, and they had received no orders from headquarters to leave it.

Then the colonels and captains took the matter into their own hands. Somehow, about noon, a forward movement began. Conspicuous among the leaders were General Hawkins and Lieutenant-Colonel Roosevelt. Soldiers fell in behind any officers who would lead. Lieutenant Ord, who fell dead at the top of the hill, shouted as he started, "All who are brave, follow me." Each officer rallied all the men he could reach.

There was little regard for regimental formation. They did not run fast, for the grass was too thick and the obstacles were too sharp; yet they panted forward through the tall grass, through the morass,

and up the steep hill, aiding one another and pulling themselves up by the bushes. They reserved their own fire until they were so close to the trenches that they could see the whites of their enemies' eyes, and then they aimed with such accuracy that in a few moments not a living Spaniard was left in the entrenchments. Then they rushed against the blockhouse; presently that fortification ceased to spit its fire, its garrison was dead, and the Stars and Stripes were waving over its spreading roof. The Spanish commander-in-chief, General Linares, had fallen wounded, and the few surviving defenders of San Juan were running toward Santiago. It was estimated that seventy per cent. of the Spanish in the trenches and the blockhouse had fallen. This was not a battle where strategy had won; generalship had seemed to fall to pieces; it was the unconquerable nerve of the individual soldier that had triumphed. . . . When night fell on July 1st, the American army had won two victories. But the cost had been terrible. Two hundred and thirty men had been killed and twelve hundred and eighty-four were wounded. Many were missing. In other words, out of the attacking forces at El Caney and San Juan, every sixth man had fallen.

That Sunday afternoon General Chaffee, riding along the front of his brigade, said to Colonel O'Brien and Major Brush of the Seventeenth Infantry: "Gentlemen, we have lost all we came for; the game has flown; the Spanish fleet is forty miles away on

the high seas." Indeed, that Sunday morning was a fateful hour in the history of the world's contest for freedom. While the army behind the city of Santiago held the ground they had gained at such cost, and waited for the next onset, knowing how serious it must be, the battle-ships and cruisers in Admiral Sampson's squadron were riding at the mouth of Santiago Bay—waiting and hoping for the moment when the trying routine of watching would be dropped for the roar and dash of a great naval engagement.

There was the armored cruiser "Brooklyn," capable of twenty-one knots an hour, with Commodore Schley, the second officer in the squadron, on board—the same Schley who years before took out of the Arctic snows the dying survivors of the Greely expedition and brought them home. There was the fine battle-ship "Oregon," fresh from her long journey of fifteen thousand miles from Puget Sound, around Cape Horn, and her sister-ship the "Indiana," both with their eighteen-inch walls of steel, and thirteen-inch guns which throw a projectile five miles. Every charge in these guns requires more than five hundred pounds of powder; every shell weighs more than half a ton; and every discharge, at the pressure of an electric button, costs five hundred and sixty dollars. There was the battle-ship "Texas," called a "hoodoo" because of her many misfortunes, but afterward famous for her brilliant work. There was also the battle-ship "Iowa" with "Fighting Bob" Evans

in command. In the neighborhood was the battleship "Massachusetts," as well as other cruisers, torpedo-boats, and ocean liners and pleasure yachts converted into ships of war.

The commander of the fleet, Rear-Admiral Sampson, was absent for the first time in many weeks. Under the orders of President McKinley, and knowing the extremity in which the army was placed, he had steamed a few miles east with the flag-ship "New York," to confer with General Shafter, and, if possible, afford relief. He had repeatedly said, "If I go away, something will happen."

At about half-past nine, just as the bugle sounded for service upon the "Texas," the navigator on the forward bridge of the "Brooklyn" called out through his megaphone: "After bridge there! Report to the commodore and the captain that the enemy's ships are coming out." At the same instant the boom of a gun on the "Iowa" attracted attention, and a string of little flags up her rigging signaled: "The enemy's ships are escaping to the westward."

In an instant, on every vessel, all was commotion where a moment before had been perfect order. But even the excitement showed absolute system, for with a rush every man in all the crews was in his place for battle, every vessel was moving up, and every gun was ready for action. From the warning of the lookout to the boom of the guns the time was less than three minutes.

The "New York" was just ready to land Rear-Admiral Sampson at a point seven miles east of Morro Castle. In twenty minutes he would have been riding over the hills to the headquarters of the army. But the leap of the ships was seen and the flag-ship was put about and started under highest steam for the fray.

The Spanish flag-ship, the "Maria Teresa," thrust her nose out of the opening and was followed by the other armored cruisers, the "Vizcaya," "Cristobal Colon," and "Almirante Oquendo," and the torpedo-boat destroyers "Pluton" and "Furor." The vessels were from eight hundred to twelve hundred yards apart, and occupied from twelve to fifteen minutes in passing the cape at the mouth of the harbor. As they did so they turned to the west, most of the American ships being just then a little to the east of the entrance.

As the Spanish cruisers came in range they opened their batteries upon the Americans, but continued to fly westward with all the speed they could make. The two torpedo craft made directly for the "Brooklyn." As the American ships closed up, the shore batteries on both sides of the opening began a heavy fire.

The guns of the American fleet opened with terrific effect at the first moment of opportunity. The "Brooklyn" realized in an instant that it was to be a chase, and that she was to lead it. She steamed at the Spanish flag-ship and at the "Vizcaya" at full speed. She had been a rival of the "Vizcaya" at

Queen Victoria's Jubilee the year before. The "Iowa" and the "Texas" rained their great shells upon the enemy with fearful effect.

The little converted yacht "Gloucester," under Lieutenant-Commander Richard Wainwright, comprehended that it was her business to take care of the torpedo-boats, and appeared to imagine that she was a battle-ship instead of an unprotected pleasure yacht. She ran in at close range, sometimes being completely hidden by smoke, and worked her small rapid-firing guns accurately and with deadly results. The "Gloucester" received orders by signal to get out of danger, but Wainwright said the signal seemed to him to order him to close in. This commander had a terrible score to settle because of the ill-fated "Maine." From the night of her destruction he had been grimly awaiting his opportunity. Now that his chance had come, he fought his little yacht with a fury that bewildered the Spaniards and amazed the American fleet. He explained that he was afraid he might strain his guns if he used them at long range! so he got as close to the enemy as he could, firing at the big ships as well as at the torpedo craft. His fire was so rapid and exact that the enemy were not able even to launch their torpedoes; one torpedo squad after another being swept away before they could load their tubes.

Hardly had the battle opened when one of the largest guns sent shell through the "Pluton," which practically broke her in two. The "Furor" tried to seek refuge behind the cruisers, but the "Gloucester"

ran in and out and riddled her with an unerring fire which reached her vitals and sent her plunging toward the shore, to break upon a reef and go down under the rolling surf. Some of her crew were helped upon the gallant little vessel that had destroyed her. Out of one hundred forty men on the two vessels but twenty-four survived.

In fifteen minutes the "Maria Teresa" and the "Oquendo" were on fire. At a quarter-past ten the former of these was completely disabled, gave up the fight, and ran on the shore at a point about six and a half miles from the harbor, and in another quarter of an hour the other did the same thing a half-mile farther on. One had been hit thirty-three times and the other sixty-six. The "Vizcaya," in three-quarters of an hour more, struck her colors and turned to the shore fifteen miles from the harbor.

These vessels were pierced by shells in many places; they were burning and their guns and ammunition bursting, with the likelihood that their magazines would explode at any moment. As the only resort in the last extremity, they were run on the beach, where they sank and careened over on their sides. Hundreds of their crews were dead or wounded and many more jumped into the heavy sea to save themselves.

The American boats went quickly to their rescue. As the "Texas" passed one of the stranded vessels her men started a cheer, but Captain John W. Philip, with fine chivalry, told them not to cheer when other

brave men were dying. The "Iowa" and the "Ericsson" took off the crew of the "Vizcaya," and the "Gloucester" and the "Harvard" those of the "Maria Teresa" and the "Oquendo." Lieutenant-Commander Wainwright received Admiral Cervera at his gangway and made the defeated Spanish officer as comfortable as possible. The men helped the Spaniards from the water and at great risk went aboard their vessels to carry off the wounded.

In the meantime, while her sister ships were being destroyed, the "Cristobal Colon" had pushed on out of the thickest of the fire, and was hoping to escape. She was their best and fastest vessel. When the "Vizcaya" went ashore, fifteen miles from the start, the fleetness of the "Colon" had put her ahead of the rest about six miles. As soon as the fate of the "Vizcaya" was assured, the "Iowa" and the "Indiana" were directed to return to the blockading station, and the "Brooklyn," the "Oregon," the "Texas," and the "Vixen" started on the great race for the "Colon."

The high speed of the "Brooklyn" enabled her to lead the way. But the "Oregon" showed that she had speed as well as great guns. Her chief engineer had for weeks saved some choice Cardiff coal for just such an emergency, and now it was piled upon the fires with signal effect. The grimy heroes under the decks won the race that day. In the boiler-rooms the heat was almost insufferable, ranging from one hundred and twenty to one hundred and fifty degrees, Fahrenheit. The men fainted often and had to be

lifted to the deck where the fresh air could revive them. But there was no flinching or complaint. Frequently the stokers insisted upon working overtime. No one of them in the pit was less intense or less a hero than the captain on the bridge. Once, when some of the firemen had fainted, the engineer called to the captain, "If my men can hear a few guns, they will revive."

The "Colon" hugged the coast for the purpose of landing if she could not escape. The pursuers struck a line for a projecting headland. There was no firing for a long distance, and the crews watched the great race from the decks. The "Brooklyn" and the "Oregon" gradually drew away from the others and gained upon the Spaniard.

The "Colon" fired a shot at her pursuers now and then, but each fell wide of the mark. When Commodore Schley was told by the navigator that the distance between the "Colon" and the "Oregon" was but eight thousand five hundred yards, or five miles, he signaled to the battle-ship to try a thirteen-inch shell upon her. Instantly it whistled over the head of the "Brooklyn" and fell but little short of the "Colon." A second one struck beyond her. A few shots were then fired by both of the American vessels. At twenty minutes after one o'clock the "Colon" struck her colors and ran ashore forty-two miles from the entrance to Santiago harbor. The Spanish crew scuttled and left her sinking. The "Brooklyn" and the "Oregon" soon came up, and Captain Cook of

the former went aboard and received her surrender. Soon the noble vessel sank in deep water, but was pushed upon the beach by the "New York," which had arrived. The next day only a small part of the stern of the ship remained above the water.

All the living men upon the stranded fleet, about sixteen hundred of them, were taken prisoners. The Spanish admiral and most of the prominent officers were among the number. All were treated with the utmost kindness, and the wounded received every possible aid, far more than they would have had if they had not been captured.

The Spaniards had four hundred killed. The charred remains found upon their burning ships told too plainly how dreadfully they had suffered. The Americans lost but one man. George H. Ellis, a yeoman, assisting on the bridge of the "Brooklyn," was asked by Captain Cook to give him the distance to the "Vizcaya." He stepped into the open, took the observation, answered, "Twenty-two hundred yards, sir," and fell at the captain's feet, for a shell had taken off his head.

ULTIMATUM IN THE NEGOTIATION OF PEACE

By Envoy William Rufus Day

THIS note, preserved among the Senate documents in the archives of the Fifty-fifth Congress, was addressed by Judge Day, as chairman of the American Peace Commission, to the head of the Spanish Commission, in session at Paris to negotiate the treaty of peace between the United States and Spain which was signed December 10, 1898. Early in that year Day had succeeded John Sherman as Secretary of State in the McKinley Cabinet, and had subsequently relinquished the portfolio in order to direct the work of the United States Peace Commission. His associates on the Commission were Senators Cushman K. Davis, William P. Frye and George Gray, and Whitelaw Reid. The terms of the treaty were bitterly protested by the Spanish Commissioners.

Following its ratification by the United States Senate on February 6, 1899, the treaty was signed by the Queen Regent of Spain on March 17, and final ratifications were exchanged on April 11, 1899. Diplomatic negotiations were soon resumed.

HAVING received and read your letter of today, touching the final proposition presented by the American Commissioners at yesterday's conference, I hasten to answer your inquiries "seriatim," first stating your question, and then giving my reply.

First. "Is the proposition you make based on the Spanish colonies being transferred free of all burdens, all, absolutely all outstanding obligations and debts, of whatsoever kind and whatever may have been their origin and purpose, remaining thereby chargeable exclusively to Spain?"

In reply to this question, it is proper to call attention to the fact that the American Commissioners, in their paper of yester-

day, expressed the hope that they might receive within a certain time "a definite and final acceptance" of their proposal as to the Philippines, and also "of the demands as to Cuba, Porto Rico and other Spanish Islands in the West Indies, and Guam, in the form in which those demands have been provisionally agreed to."

The form in which they have thus been agreed to is found in the proposal presented by the American Commissioners on the 17th of October and annexed to the protocol of the 6th conference, and is as follows:

"Article 1. Spain hereby relinquishes all claim of sovereignty over and title to Cuba.

"Article 2. Spain hereby cedes to the United States the Island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and also the Island of Guam in the Ladrones."

These articles contain no provision for the assumption of debt by the United States.

In this relation, I desire to recall the statements in which the American Commissioners have in our conferences repeatedly declared that they would not accept any articles that required the United States to assume the so-called colonial debts of Spain.

To these statements I have nothing to add.

But, in respect of the Philippines, the American Commissioners, while including the cession of the archipelago in the article in which Spain "cedes to the United States the Island of Porto Rico and other

islands now under Spanish sovereignty in the West Indies, and also the Island of Guam in the Ladrones," or in an article expressed in similar words, will agree that their Government shall pay to Spain the sum of twenty million dollars (\$20,000,000).

Second. "Is the offer made by the United States to Spain to establish for a certain number of years similar conditions in the ports of the archipelago for vessels and merchandise of both nations, an offer which is preceded by the assertion that the policy of the United States is to maintain an open door to the world's commerce, to be taken in the sense that the vessels and goods of other nations are to enjoy or can enjoy the same privilege (*situación*) which for a certain time is granted those of Spain, while the United States do not change such policy?"

The declaration that the policy of the United States in the Philippines will be that of an open door to the world's commerce necessarily implies that the offer to place Spanish vessels and merchandise on the same footing as American is not intended to be exclusive. But, the offer to give Spain that privilege for a term of years is intended to secure it to her for a certain period by special treaty stipulation, whatever might be at any time the general policy of the United States.

Third. "The Secretary of State having stated in his note of July 30 last that the cession by Spain of the Island of Porto Rico and the other islands now under Spanish sovereignty in the West Indies, as well as one of the Ladrones, was to be as compensation for the

losses and expenses of the United States during the war, and of the damages suffered by their citizens during the last insurrection in Cuba, what claims does the proposition refer to on requiring that there shall be inserted in the treaty a provision for the mutual relinquishment of all claims, individual and national, that have arisen from the beginning of the last insurrection in Cuba to the conclusion of the treaty of peace?"

While the idea doubtless was conveyed in the note of the Secretary of State of the United States of the 30th of July last that the cession of "Porto Rico and other islands now under the sovereignty of Spain in the West Indies, and also the cession of an island in the Ladrones, to be selected by the United States," was required on grounds of indemnity, and that "on similar grounds the United States is entitled to occupy and will hold the city, bay, and harbor of Manila, pending the conclusion of a treaty of peace which shall determine the control, disposition and government of the Philippines," no definition has as yet been given of the extent or precise effect of the cessions in that regard. The American Commissioners therefore propose, in connection with the cessions of territory, "the mutual relinquishment of all claims for indemnity, national and individual, of every kind, of the United States against Spain and of Spain against the United States, that may have arisen since the beginning of the late insurrection in Cuba and prior to the conclusion of a treaty of peace."

CIVIL GOVERNMENT IN CUBA

By Governor-General Leonard Wood

HAVING, with Roosevelt, recruited and commanded the famous regiment of Rough Riders during the Santiago campaign, subsequently becoming a major-general of volunteers, Wood was made military governor of Santiago on the capture of that city by the American forces. He displayed such administrative ability that, in 1899, he was chosen to succeed General Brooke as Governor-General of the entire island of Cuba, and filled the position with marked distinction until the United States formally withdrew from the island, in 1902.

During his administration extensive public improvements were effected. In 1901 the Cuban people adopted a Constitution, superseding the Bill of Rights which was first given them, as General Wood relates, and elected Estrada Palma their first President. This account is contained in "Cuba: Civil Report of General Wood," made to Congress in 1901.

maintain an appearance of order, but, practically speaking, there had been a complete destruction of civil government, and it rested with the newcomers to do what they would toward reestablishing a proper

WHEN the American authorities took charge of the province of Santiago de Cuba they found the civil affairs of the province in a condition of complete chaos. The treasuries of all the different municipalities were empty; the offices were vacant; public records, such as had not been burnt or destroyed, were bundled up in abandoned buildings. The courts had ceased to exist. In fact, there was only a semblance of any form of civil government. In many of the towns a few members of the old "Guardia Civil" still continued to

form of government which would give the people necessary protection, and guarantee such a condition of order as would once more tend to reëstablish business and invite the confidence of outside capital. . . .

The idea with which this work has been done is first to reëstablish the municipalities upon the simplest and most economical basis consistent with a fair degree of efficiency. Of course it was impossible to change altogether the old system. We have had to begin, even in the little towns, by appointing a mayor, a secretary and one or two municipal police officers, simply because this was the system to which the people for many generations had been accustomed; but in making these appointments every effort has been made to select the best men and an adequate service for the salary paid has been insisted upon. Under the old system men went to their offices at 9 a. m., left at 11 a. m. and came back for an hour in the afternoon. There were a great many clerks, many of whom were totally unnecessary. In each little town one found a great many officials doing very little, no school houses, no sanitary regulations—in fact nothing indicative of a high degree of civilization. It was a pedantic humbug from top to bottom. In place of this condition, we, so far as possible with the limited time and means at our command, have reëstablished these little towns, giving them the officers absolutely necessary to maintain an efficient administration of the public business.

We insisted upon a thorough sanitary supervision of the towns, a thorough cleaning up of the streets, private houses, yards, courts, etc., the reëstablishing of the schools in the best buildings obtainable; a prompt monthly payment of the teachers' salaries; the forbidding of public school teachers having private pupils in the public schools—a condition which existed formerly and led to great abuses. Every effort has been made toward the reëstablishment of the courts upon the most economical basis consistent with prompt transaction of the public business. The entire judicial machinery of the province has been put in operation upon an economical basis. At the head of this judicial system stands the Supreme Court of the province, which is supreme only for the time being, as upon the establishment of the Supreme Court for the island it will continue simply as the Audiencia or Superior Court of the province, from which an appeal can be taken to Havana. The greatest evil of the present system is in the method of criminal procedure. Persons accused are often months in prison before trial. . . . I have done what I could to remedy this condition by making offenses not capital bailable, and by establishing the writ of habeas corpus. The police is also to apply a large portion of the public revenue to the reconstruction of roads, bridges, etc., and to encourage, throughout the province, in all the larger towns, such sanitary reformation as the means at hand would permit. . . .

To the people was given a "Bill of Rights," which guaranteed to them the freedom of the press, the right to assemble peaceably, the right to seek redress for grievances, the right of habeas corpus, and the right to present bail for all offenses not capital. Every effort was made to impress upon them the fact that the civil law must in all free countries be absolutely supreme, and that all classes of people must recognize the authority of the officers of the law, whether represented by the ordinary policeman or by the judges of the Supreme Court. . . . In fact every effort was made to impress upon them the fact that people can do as they wish so long as they do not violate the law. On the other hand they were told, in unmistakable terms, that any and all infractions of the civil law would be punished severely, and that individuals resisting arrest would be taken even at the cost of their lives. Of course all this was under military government. Every effort was made, however, to remove the military as far as practicable from the situation. The intention was to reëstablish rather than to replace the civil government. Men were appointed to office solely for their fitness for the position, and their selection was never made arbitrarily, but always upon the recommendation of the best citizens. I do not mean the best men in the social sense, or in any other sense than those best qualified by experience and ability to judge of the fitness of the various applicants for office. . . .

I do not believe that just at present the people are in a condition to be taken further into the administration of civil affairs than indicated above. Before proceeding further it will be necessary to complete the organization of the schools; get the courts into thorough running order and, what is very important, to get all the municipalities established upon an efficient basis, making them thoroughly self-supporting; to do all that can be done to get the people back to their plantations and at work; to reopen the roads and make them passable, thus enabling people to get their produce to the seacoast and to the markets; to establish enough rural police to keep things quiet and orderly in the interior. After these conditions have been well established and found to be in good working order then we can begin to consider seriously the remaining details of civil government. Just at present it is well to stop, for a short time at least, where we are.

. . . It must be remembered that a large portion of the population is illiterate and they have never had any extensive participation in the affairs of government, not even in municipal affairs, and, until they thoroughly understand the handling of small affairs, they certainly are not fitted to undertake larger ones. In other words, let us begin from the bottom and build on a secure foundation rather than start at the top to remodel the whole fabric of civil government.

. . .

THE "OPEN DOOR" IN CHINA

By Secretary of State John Hay

HAY, whose entrance into public life was as a private secretary to President Lincoln, became Secretary of State in McKinley's Cabinet, succeeding William R. Day, in 1898. In the interim he had been First Assistant Secretary of State in the Hayes administration, and had been Ambassador to England in 1897.

As Secretary of State his greatest diplomatic achievement was the maintenance of the "open door" policy in China, and the consequent postponement of the threatened dismemberment of the Chinese Empire. Not content with verbal assurances from the European Powers, Secretary Hay, in September, 1899, sent the accompanying letter to Charlemagne Tower, United States Ambassador to Russia, and similar notes to the legations at London, Paris, Berlin, Rome and Tokyo. Favorable replies were received from all the foreign governments thus addressed. The original letter is in the State Department "Correspondence Concerning American Commercial Rights in China."

IN 1898, when His Imperial Majesty had, through his diplomatic representative at this capital [Washington], notified this Government that Russia had leased from His Imperial Chinese Majesty the ports of Port Arthur, Ta-lien-wan, and the adjacent territory in the Liao-tung Peninsula in north-eastern China for a period of twenty-five years, your predecessor received categorical assurances from the Imperial Minister for Foreign Affairs that American interests in that part of the Chinese Empire would in no way be affected thereby, neither was it the desire of Russia to interfere

with the trade of other nations, and that our citizens would continue to enjoy within said leased territory

all the rights and privileges guaranteed them under existing treaties with China. Assurances of a similar purport were conveyed to me by the Emperor's ambassador at this capital; while fresh proof of this is afforded by the Imperial Ukase of ^{July 30}
^{August 11} last, creating the free port of Dalny, near Ta-lien-wan, and establishing free trade for the adjacent territory.

However gratifying and reassuring such assurances may be in regard to the territory actually occupied and administered, it can not but be admitted that a further, clearer and more formal definition of the conditions which are henceforth to hold within the so-called Russian "sphere of interest" in China as regards the commercial rights therein of our citizens is much desired by the business world of the United States, inasmuch as such a declaration would relieve it from the apprehensions which have exercised a disturbing influence during the last four years on its operations in China.

The present moment seems particularly opportune for ascertaining whether His Imperial Russian Majesty would not be disposed to give permanent form to the assurances heretofore given to this Government on this subject.

The Ukase of the Emperor of August 11 of this year, declaring the port of Ta-lien-wan open to the merchant ships of all nations during the remainder of the lease under which it is held by Russia, removes the slightest uncertainty as to the liberal and conciliatory commercial policy His Majesty proposes

carrying out in northeastern China, and would seem to insure us the sympathetic and, it is hoped, favorable consideration of the propositions hereinafter specified.

The principles which this Government is particularly desirous of seeing formally declared by His Imperial Majesty and by all the great Powers interested in China, and which will be eminently beneficial to the commercial interests of the whole world, are:

First. The recognition that no Power will in any way interfere with any treaty port or any vested interest within any leased territory or within any so-called "sphere of interest" it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The declaration of such principles by His Imperial Majesty would not only be of great benefit to foreign

commerce in China, but would powerfully tend to remove dangerous sources of irritation and possible conflict between the various Powers; it would re-establish confidence and security; and would give great additional weight to the concerted representations which the treaty Powers may hereafter make to His Imperial Chinese Majesty in the interest of reform in Chinese administration so essential to the consolidation and integrity of that empire, and which, it is believed, is a fundamental principle of the policy of His Majesty in Asia.

Germany has declared the port of Kiao-chao, which she holds in Shantung under a lease from China, a free port and has aided in the establishment there of a branch of the Imperial Chinese Maritime Customs. The Imperial German Minister for Foreign Affairs has also given assurances that American trade would not in any way be discriminated against or interfered with, as there is no intention to close the leased territory to foreign commerce within the area which Germany claims. These facts lead this Government to believe that the Imperial German Government will lend its coöperation and give its acceptance to the proposition above outlined, and which our ambassador at Berlin is now instructed to submit to it.

That such a declaration will be favorably considered by Great Britain and Japan, the two other Powers most interested in the subject, there can be no doubt; the formal and oft-repeated declarations of the British and Japanese Governments in favor of

the maintenance throughout China of freedom of trade for the whole world insure us, it is believed, the ready assent of these Powers to the declaration desired.

The acceptance by His Imperial Majesty of these principles must therefore inevitably lead to their recognition by all the other Powers interested, and you are instructed to submit them to the Emperor's Minister for Foreign Affairs and urge their immediate consideration.

THE BOXER REBELLION IN CHINA

Account of an Eye-Witness

IN "Indiscreet Letters from Pekin," edited by B. L. Putnam Weale and published by Dodd, Mead & Company, an eye-witness thus describes the Boxer insurrection of 1900 in China. The organization known as Boxers (meaning "The Fist of Righteous Harmony") was a sort of Chinese Ku Klux Klan organized to defend China against foreign aggression. The movement was secretly encouraged by the Chinese Dowager Empress, who gloated over the wholesale torture and killing of foreigners.

Havoc reigned in Pekin, Tien-tsin and elsewhere until a relief force of 18,000 combined British, American, German, Russian and Japanese troops captured Pekin on August 15, 1900. The Dowager Empress and Court had fled. Eventually an indemnity of \$735,000,000 was demanded of China. Through the good offices of the American government, this was reduced one-half, and of its portion of the award the United States refunded \$13,000,000 to a grateful China.

extinguishing the dread fire-demon, the flaming torch was applied by Chinese soldiery to half a dozen

THEY [the Boxers] set fire to the sacrosanct Hanlin Yuan, which is at once the Oxford and Cambridge, the Heidelberg and the Sorbonne of the eighteen provinces of China rolled into one, and is revered above all other earthly things by the Chinese scholar. In the spacious halls of the Hanlin Academy, which back against the flanking wall of the British Legation, are gathered in mighty piles the literature and labors of the premier scholars of the Celestial Empire. . . . Listen to what happened.

To the sound of a heavy rifle-fire, designed to frustrate all efforts at

different places, and almost before anybody knew it, the holy of holies was lustily ablaze. As the flames shot skywards, advertising the danger to the most purblind, everybody at last became energetic and sank their feuds. British marines and volunteers were formed up and independent commands rushed over from the other lines; a hole was smashed through a wall, and the mixed force poured raggedly into the enclosures beyond. They had to clamber over obstacles, through tightly jammed doors, under falling beams, occasionally halting to volley heavily until they had cleared all the ground around the Hanlin, and found perhaps half a ton of empty brass cartridge cases left by the enemy, who had discreetly flown. From a safe distance snipers, hidden from view and untraceable, kept on firing steadily; but they were careful not to advance.

Meanwhile the flames were spreading rapidly, the century-old beams and rafters crackling with a most alarming fierceness which threatened to engulf the adjacent buildings of the [British] Legation. What huge flames they were! The priceless literature was also catching fire, so the dragon-adorned pools and wells in the peaceful Hanlin courtyards were soon choked with the tens of thousands of books that were heaved in by many willing hands. . . . Fires were checked in one direction only to break out in another. For later on, sneaking in under the cover of trees and the many massive buildings which pushed up so close, Chinese marauders, finding that they could escape,

threw torch after torch soaked in petroleum on the neighboring roofs and rafters. In some cases they forced our posts to seek cover by firing on them very heavily, and then with a sudden dash they could accomplish their deadly work at ease. At one time, thanks to this policy, the outbuildings of the British Legation actually caught fire, and the flames, urged on by a sharp north wind, lolled out their tongues longingly towards the main buildings. Lines of men, women and children were hastily formed to our wells and hundreds of utensils of the most incongruous character were brought into play. . . .

We have mules, we have ponies, and we have even donkeys, it is true, and a great mass of grain and rice which will last for weeks. But it is dry and sorrowful food, and I long for a few delicacies. . . .

To perform this work of feeding so many mouths, there are committees—committees far too big, since every one is anxious to join their safe ranks—committees which, although they number men of all nationalities, are simply standing examples, I opine, of the organizing capacity of the Yankee and his masterfulness over other people. For it is the Yankee missionary who has invaded and taken charge of the British Legation; it is the Yankee missionary who is doing all the work there and getting all the credit. Beginning with the fortifications committee, there is an extraordinary man named G—, who is doing everything—absolutely everything. I believe there are actually other members of this committee—at

least, there are some people who assist—but G—— is the man of the hour, and will brook no interference. Already the British Legation, which at the commencement of the siege was utterly undefended by any entrenchments or sandbags, is rapidly being hustled into order by the masterful hand of this missionary. Coolies are evolved from the converts of all classes, who, although they protest that they are unaccustomed to manual work, are merely given shovels and picks, sandbags and bricks, and resolutely told to commence and learn. Already the discontented in the outer lines are sending for him and asking him to do this and that, and the hard-worked man always finds time for everything. . . .

All relief is now felt to be out of the question. Men are also beginning to fall with regularity, and are carried in blood-stained, as evidence that this is really a serious business. The British Chancery is now the hospital; despatch tables have been washed and covered with surgical cloth; cases are dropping in and doctors are busy. Already in the night smothered cries burst from the walls of these torture-rooms, and make one conscious that it may be one's turn next. I have always felt that it is all right up in the firing line, but it is that dreadful afterwards on the operating-table. . . . But nurses and doctors are doing valiantly. There is a German army doctor who knows his business very well, they say. . . . Each actor is taking his proper place, and each nationality is pushing out its best to the proper perspective.

THE CAPTURE AND OCCUPATION OF PEKIN

Official Report of Major-General Adna R. Chaffee

HERE is the gist of the report made to the War Department by General Chaffee, who commanded the operations of the China Relief Expedition from July 29 to September 1, 1900. On being appointed to lead the 2,100 American volunteers in the expedition to relieve Pekin, Chaffee, who had previously distinguished himself at El Caney during the Spanish-American War, was made a major-general of volunteers. In 1901 he was made a major-general in the regular army, and became chief of staff in 1905.

Our Minister to China, E. H. Conger, to whom reference is made, was imprisoned with his family and the entire diplomatic corps in the British legation at Pekin from June 20 to August 15, barely escaping death in a general massacre.

lery farther to the right. My left flank at this time was uncovered except by a small force of British cavalry. The British troops did not advance from Tung-chow until the 14th, owing to previous agreement. On that day they marched for the line of concentration and found my force advancing on Pekin; at noon a British battery was at work a mile to my

WITHOUT serious opposition we arrived at the northeast corner of the Chinese city, having brushed away some Chinese troops or "Boxers" that fired from villages to our left and front. About 10 o'clock I saw the advantage of holding the ground that I had obtained and directed all my force to move forward as I had then become aware of Russian troops being in action on my right and could also hear the Japanese artillery

left and rear. At 11 a. m. two companies of the Fourteenth Infantry under the immediate command of Colonel Daggett had scaled the wall of the Chinese city at the northeast corner and the flag of that regiment was the first foreign colors unfurled upon the walls surrounding Pekin. The two companies on the wall, with the assistance of the troops facing the wall, drove away the Chinese defenders from the corner to the east gate of the Chinese city where the British entered without opposition later in the day.

About noon it was reported to me that the Russians had battered open Tung-pien-men gate during the night and had effected an entrance there. I arrived at the gate soon afterward, and found in the gate some of the Fourteenth Infantry, followed by Reilly's Battery. The Russian artillery and troops were in great confusion in the passage, their artillery facing in both directions, and I could see no effort being made to extricate themselves and give passage into the city.

One company of the Fourteenth Infantry deployed itself in the buildings to the right of the gate, and poured effective fire onto the Tartar wall. Captain Reilly got two guns through a very narrow passage to his left, tearing down a wall to do so, and found a position a few yards to the left of the road where he could enfilade the Tartar wall, section by section, with shrapnel. The Fourteenth Infantry crossed the moat, and, taking position paralleling the moat, deployed along a street facing the Tartar wall, and, with the artillery, swept it of Chinese troops. . . .

At about 3 o'clock p. m. our advance had arrived opposite the legations, the fire of the Chinese having practically ended, and we drew over to the Tartar wall and entered the legation grounds.

Having communicated with Minister Conger, I withdrew the troops from the legation and camped just outside near the Tartar wall for the night. My casualties during the day were 8 enlisted men wounded in the Fourteenth Infantry, 1 enlisted man wounded of Battery F, Fifth Artillery, 1 officer and 2 enlisted men wounded of the marines.

Upon entering the legations the appearance of the people and their surroundings, buildings, walls, streets, alleys, entrances, etc., showed every evidence of a confining siege. Barricades were built everywhere and of every sort of material, native brick being largely used for their construction, topped with sandbags made from every conceivable sort of cloth, from sheets and pillow cases to dress materials and brocaded curtains. Many of the legations were in ruins, and the English, Russian and American, though standing and occupied, were filled with bullet holes from small arms, and larger ones made by shell.

The children presented a pitiable sight, white and wan for lack of proper food, but the adults as a rule seemed cheerful and little the worse for their trying experience, except from anxiety and constant care. They were living on short rations, a portion of which consisted of a very small piece of horse or mule meat daily. The Christian Chinese were often reduced to killing dogs for meat.

I was informed by Mr. Conger that a portion of the Imperial City directly in front of the Chienmen gate had been used by Chinese to fire on the legations, and I determined to force the Chinese troops from this position. On the morning of the 15th I placed four guns of Reilly's Battery on the Tartar wall at Chienmen gate, and swept the walls to the westward to the next gate, there being some slight opposition in that direction, supported by poor artillery. About 8 o'clock a. m. the Chinese opened fire on us at Chienmen gate from the second gate of the Imperial City north of Chienmen gate, whereupon I directed an attack on the first gate to be made, and in a short while Lieut. Charles P. Summerall, of Reilly's Battery, had opened the door of this gate. Our troops entered and were met with a severe fire from the next gate, about 600 yards distant. Fire was directed upon the second gate with the battery and such of the infantry as could be elevated on the Tartar wall and side walls of the Imperial City and act effectively. In the course of half an hour the Chinese fire was silenced, and Colonel Daggett led forward his regiment to the base of the second gate. Lieutenant Summerall was directed to open this gate with artillery, which he did. The course just indicated was pursued for four gates, the Chinese troops being driven from each gate in succession, the fourth gate being near what is known as the palace grounds, which is surrounded by the Imperial grounds.

At a conference that afternoon it was decided not

to occupy the Imperial City, and I withdrew my troops into the camp occupied the night before, maintaining my position on the Tartar wall at Chienmen gate.

The idea of not occupying the Imperial City was not concurred in by the ministers in a conference held by them the next day. In their opinion the Imperial City should be occupied; it was later decided by the generals to occupy the Imperial grounds, and in consequence of this decision I reoccupied the grounds we had won on the 15th, placing the Ninth Infantry within as guard at the gate where our attack ceased.

During the 15th, and the attack upon the gates referred to, our losses were 2 enlisted men killed and 4 wounded, Ninth Infantry; 3 enlisted men killed and 14 wounded, Fourteenth Infantry; 1 enlisted man Battery F, Fifth Artillery, wounded. At 8.50 o'clock a. m., of this date, Capt. Henry J. Reilly, Fifth Artillery, was struck in the mouth and almost instantly killed, when standing at my left elbow observing the effect of a shot from one of his guns by his side.

At a conference on the 16th the Chinese and Tartar cities were divided to the various forces for police protection. The United States troops were assigned to the west half of the Chinese City and to that section of the Tartar City lying between the Chienmen and Shunchin gates of the Tartar City and north to the east and west street through the Tartar City, being bounded upon the east by the wall of the Imperial City.

THE GOLD-STANDARD ACT

By Secretary of the Treasury Lyman J. Gage

GAGE was a prominent Chicago banker who, in 1897, became Secretary of the Treasury in McKinley's Cabinet, after having declined the same portfolio tendered him by President Cleveland. He was opposed to Bryanism and the 16 to 1 free-silver doctrine in the Presidential contest of 1896, supporting McKinley on the Republican platform advocating a single gold standard, such as he here defines.

It appeared in "Sound Currency," July, 1900, in reply to an article by Professor James L. Laughlin, political economist, of the University of Chicago, in the "Journal of Political Economy" for June of that year. Laughlin was active in the work of the Monetary Commission and wrote the important report of that body. Gage remained Secretary of the Treasury after McKinley died, and served in the Roosevelt Cabinet until 1902, when he resigned.

I AM satisfied that the new law establishes the gold standard beyond assault, unless it is deliberately violated. . . .

It is quite true that the legal tender quality has not been taken away from the silver and paper money of the United States. It would have been a remarkable and disquieting thing to do and it would have been quite as likely to weaken as to strengthen our monetary system. It makes no difference to anybody to-day whether he is paid in gold or silver, so long as the two metals circulate at par with each other

and are received on deposit by the banks without discrimination. What difference would it make to me if I held some bonds and Mr. Bryan should direct his Secretary of the Treasury to sort out some of his lim-

ited stock of silver dollars for the purpose of redeeming the bonds? Would I not immediately deposit the silver in my bank and draw checks against it, just as I would if the Secretary had exercised the more rational policy of paying me with a Sub-Treasury check?

I believe that silver will never drop below par in gold. The crux of the proposition is that adequate measures have been taken by the new law to prevent such a contingency. . . .

The question is largely an academic one whether any provision is made for maintaining the parity of gold and silver beyond the provisions of previous laws, for the simple reason that methods were already in operation which maintained this parity under severe strain from the first coinage of the Bland dollars in 1878 down to the repeal of the silver purchase law in 1893 and have maintained such parity ever since. Professor Laughlin understands the practical operation of these methods of redemption through the receipt of silver for public dues. This method will unquestionably prove adequate, upon the single condition that our mints are opened to the free coinage of silver and no further considerable purchase or coinage of silver takes place. The facts of the situation and the experience of other countries with a considerable amount of silver coins plainly show that the suspension of free coinage and the receipt of the silver coins without discrimination for public dues are in themselves sufficient to maintain parity.

But I think Professor Laughlin is mistaken in his criticism that no means whatever have been provided for maintaining the parity between gold and silver. He admits that the first section of the Act declares that "All forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity." He criticizes this provision upon the ground that it gives absolutely nothing with which to maintain parity. . . .

It is to be regretted that the provision on this subject is not put in plainer language. I understand that it was urged upon the Conference Committee that this clause should read, "it shall be the duty of the Secretary of the Treasury to use all appropriate means to maintain such parity." This would have conveyed sweeping and complete authority to buy gold, sell bonds, or take any other steps in execution of a solemn duty imposed by Congress. But there is another provision of the bill which Professor Laughlin seems to have disregarded. This is in section 2, providing for the gold reserve, where it is prescribed that when bonds are sold for the maintenance of the reserve the Secretary of the Treasury, after exchanging the gold for notes and depositing the latter in the general fund of the Treasury, "may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interest may require, except that they shall not be used to

meet deficiencies in the current revenues." The declaration that notes may be used "for any lawful purpose," certainly includes the maintenance of parity between gold and silver, since it is distinctly made a legal obligation of the Secretary by the first section. If the Secretary of the Treasury, therefore, finds a considerable fund of redeemed notes in the general fund of the Treasury, and fears that silver will fall below parity with gold, he is able under this provision to pay for silver in United States notes which are redeemable in gold on demand. It seems to me this affords an important and almost perfect means of maintaining the parity of gold and silver. It amounts in substance to the ability of the holder of silver dollars to obtain gold notes for them, if the Secretary of the Treasury, under the mandate laid upon him by law, finds it necessary to offer such notes in order to maintain the parity of silver.

But suppose that there were no notes in the general fund of the Treasury which could be used for this purpose?—if, in other words, there was no demand for gold by the presentation of United States notes, which had resulted in an accumulation of the latter—it is pretty plain that there would be no demand for the exchange of silver for gold. The entire body of the law on this subject is calculated for a period of distrust and demand for gold. If such a demand occurs it must fall upon the gold resources of the Government by the presentation of notes. The notes then become available for exchange for silver. If

the criticism is made that this puts the notes afloat again in excessive quantities, it may be answered that the quantity of silver in circulation has been diminished, that a gold note has taken its place, and that if this note comes back for redemption in gold the Treasury is fully equipped by law for obtaining additional gold by the sale of bonds and holding the note until financial conditions have changed. . . .

Objection is made to the new law that it does not make the bonds of the United States redeemable in gold. That is true in a narrow sense. The new law, as finally enacted, does not change the contract between the Government and the holder of the bond, which was an agreement to pay coin. . . . I think that upon many grounds the conference committee acted wisely in refusing to make this change. It establishes a dangerous precedent to enact a retroactive law. . . . For those who prefer a gold bond Congress provided the means of obtaining it by offering the new two per cent bonds upon terms of conversion approaching the market value of the old bonds. . . . Nobody doubts that these bonds will be as good as gold, and it is wholly immaterial whether some Secretary of the Treasury pursues the infantile policy of paying silver dollars upon these bonds instead of checks, when as I have shown all money of the United States is convertible into gold. These are the distinct provisions of the new law and they cannot fail to maintain the gold standard except by the deliberate violation of the duty imposed by the law upon the Secretary of the Treasury.

THE FIRST AIRPLANE TO FLY SUCCESSFULLY

By *Orville and Wilbur Wright*

*T*HE Wright brothers, from whose "Early History of the Airplane" this account is taken, accomplished their first successful flight with a heavier-than-air biplane, at Kitty Hawk, North Carolina, on December 17, 1903. It lasted twelve seconds and was the first time in the history of the world that a machine carrying a man raised itself by its own power into the air in free flight, sailed forward on a level course, and landed safely.

Of the brothers, Wilbur, who died in 1912, made a spectacular flight, in 1909, from Governor's Island up the Hudson to Grant's Tomb, during the Hudson-Fulton celebration in New York. He and his brother, Orville, were awarded gold medals by the French Academy of Sciences in that year. Their machine was afterward adopted by the United States army, and the French patents were sold for \$100,000.

awhile, and finally sank to the floor. It was a little toy, known to scientists as a "helicopter," but which we, with sublime disregard for science, at once dubbed a "bat." It was a light frame of cork and

*T*HOUGH the subject of aerial navigation is generally considered new, it has occupied the minds of men more or less from the earliest ages. Our personal interest in it dates from our childhood days. Late in the autumn of 1878 our father came into the house one evening with some object partly concealed in his hands, and before we could see what it was, he tossed it into the air. Instead of falling to the floor, as we expected, it flew across the room, till it struck the ceiling, where it fluttered

bamboo, covered with paper, which formed two screws, driven in opposite directions by rubber bands under torsion. A toy so delicate lasted only a short time in the hands of small boys, but its memory was abiding.

Several years later we began building these helicopters for ourselves, making each one larger than that preceding. But, to our astonishment, we found that the larger the "bat" the less it flew. We did not know that a machine having only twice the linear dimensions of another would require eight times the power. We finally became discouraged, and returned to kite-flying, a sport to which we had devoted so much attention that we were regarded as experts. But as we became older we had to give up this fascinating sport as unbecoming to boys of our ages.

It was not till the news of the sad death of Lilienthal reached America in the summer of 1896 that we again gave more than passing attention to the subject of flying. We then studied with great interest Chanute's "Progress in Flying Machines," Langley's "Experiments in Aerodynamics," the "Aeronautical Annuals" of 1905, 1906, and 1907, and several pamphlets published by the Smithsonian Institution, especially articles by Lilienthal and extracts from Mouillard's "Empire of the Air." The larger works gave us a good understanding of the nature of the flying problem, and the difficulties in past attempts to solve it, while Mouillard and Lilienthal, the great missionaries of the flying cause, infected us with their own

unquenchable enthusiasm, and transformed idle curiosity into the active zeal of workers.

In the field of aviation there were two schools. The first, represented by such men as Professor Langley and Sir Hiram Maxim, gave chief attention to power flight; the second, represented by Lilienthal, Mouillard and Chanute, to soaring flight. Our sympathies were with the latter school, partly from impatience at the wasteful extravagance of mounting delicate and costly machinery on wings which no one knew how to manage, and partly, no doubt, from the extraordinary charm and enthusiasm with which the apostles of soaring flight set forth the beauties of sailing through the air on fixed wings, deriving the motive power from the wind itself.

The balancing of a flyer may seem, at first thought, to be a very simple matter, yet almost every experimenter had found in this one point which he could not satisfactorily master. Many different methods were tried. Some experimenters placed the center of gravity far below the wings, in the belief that the weight would naturally seek to remain at the lowest point. It is true, that, like the pendulum, it tended to seek the lowest point; but also, like the pendulum, it tended to oscillate in a manner destructive of all stability. A more satisfactory system, especially for lateral balance, was that of arranging the wings in the shape of a broad V, to form a dihedral angle, with the center low and the wing-tips elevated. In theory this was an automatic system, but in practice it had

two serious defects: first, it tended to keep the machine oscillating; and second, its usefulness was restricted to calm air.

In a slightly modified form the same system was applied to the fore-and-aft balance. The main aeroplane was set at a positive angle, and a horizontal tail at a negative angle, while the center of gravity was placed far forward. As in the case of lateral control, there was a tendency to constant undulation, and the very forces which caused a restoration of balance in calms caused a disturbance of the balance in winds. Notwithstanding the known limitations of this principle, it had been embodied in almost every prominent flying machine which had been built. . . .

Lilienthal and Chanute had guided and balanced their machines by shifting the weight of the operator's body. But this method seemed to us incapable of expansion to meet large conditions, because the weight to be moved and the distance of possible motion were limited, while the disturbing forces steadily increased, both with wing area and with wind velocity. In order to meet the needs of large machines, we wished to employ some system whereby the operator could vary at will the inclination of different parts of the wings, and thus obtain from the wind forces to restore the balance which the wind itself had disturbed. This could easily be done by using wings capable of being warped, and by supplementary adjustable surfaces in the shape of rudders. As the forces obtainable for control would necessarily in-

crease in the same ratio as the disturbing forces, the method seemed capable of expansion to an almost unlimited extent. A happy device was discovered whereby the apparently rigid system of superposed surfaces, invented by Wenham, and improved by Stringfellow and Chanute, could be warped in a most unexpected way, so that the aeroplanes could be presented on the right and left sides at different angles to the wind. This, with an adjustable, horizontal front rudder, formed the main feature of our first glider.

The period from 1885 to 1900 was one of unexampled activity in aeronautics, and for a time there was high hope that the age of flying was at hand. But Maxim, after spending \$100,000, abandoned the work; the Ader machine, built at the expense of the French government, was a failure; Lilienthal and Pilcher were killed in experiments; and Chanute and many others, from one cause or another, had relaxed their efforts, though it subsequently became known that Professor Langley was still secretly at work on a machine for the United States government. The public, discouraged by the failures and tragedies just witnessed, considered flight beyond the reach of man, and classed its adherents with the inventors of perpetual motion.

We began our active experiments at the close of this period, in October, 1900, at Kitty Hawk, North Carolina. Our machine was designed to be flown as a kite, with a man on board, in winds from 15 to 20 miles an hour. But, upon trial, it was found that

much stronger winds were required to lift it. Suitable winds not being plentiful, we found it necessary, in order to test the new balancing system, to fly the machine as a kite without a man on board, operating the levers through cords from the ground. This did not give the practice anticipated, but it inspired confidence in the new system of balance.

In the summer of 1901 we became personally acquainted with Mr. Chanute. When he learned that we were interested in flying as a sport, and not with any expectation of recovering the money we were expending on it, he gave us much encouragement. At our invitation, he spent several weeks with us at our camp at Kill Devil Hill, four miles south of Kitty Hawk, during our experiments of that and the two succeeding years. He also witnessed one flight of the power machine near Dayton, Ohio, in October, 1904.

The machine of 1901 was built with the shape of surface used by Lilienthal, curved from front to rear like the segment of a parabola, with a curvature $1/12$ the depth of its cord; but to make doubly sure that it would have sufficient lifting capacity when flown as a kite in 15- or 20-mile winds, we increased the area from 165 square feet, used in 1900, to 308 square feet—a size much larger than Lilienthal, Pilcher, or Chanute had deemed safe. Upon trial, however, the lifting capacity again fell very far short of calculation, so that the idea of securing practice while flying as a kite had to be abandoned. Mr. Chanute, who witnessed the experiments, told us that

the trouble was not due to poor construction of the machine. We saw only one other explanation—that the tables of air-pressures in general use were incorrect.

We then turned to gliding—coasting downhill on the air—as the only method of getting the desired practice in balancing a machine. After a few minutes' practice we were able to make glides of over 300 feet, and in a few days were safely operating in 27-mile winds. In these experiments we met with several unexpected phenomena. We found that, contrary to the teachings of the books, the center of pressure on a curved surface traveled backward when the surface was inclined, at small angles, more and more edgewise to the wind. We also discovered that in free flight, when the wing on one side of the machine was presented to the wind at a greater angle than the one on the other side, the wing with the greater angle descended, and the machine turned in a direction just the reverse of what we were led to expect when flying the machine as a kite. The larger angle gave more resistance to forward motion, and reduced the speed of the wing on that side. The decrease in speed more than counterbalanced the effect of the larger angle. The addition of a fixed vertical vane in the rear increased the trouble, and made the machine absolutely dangerous. It was some time before a remedy was discovered. This consisted of movable rudders working in conjunction with the twisting of the wings. The details of this

arrangement are given in specifications published several years ago.

The experiments of 1901 were far from encouraging. Although Mr. Chanute assured us that, both in control and in weight carried per horse-power, the results obtained were better than those of any of our predecessors, yet we saw that the calculations upon which all flying machines had been based were unreliable, and that all were simply groping in the dark. Having set out with absolute faith in the existing scientific data, we were driven to doubt one thing after another, till finally, after two years of experiment, we cast it all aside, and decided to rely entirely upon our own investigations. Truth and error were everywhere so intimately mixed as to be undistinguishable. Nevertheless, the time expended in preliminary study of books was not misspent, for they gave us a good general understanding of the subject, and enabled us at the outset to avoid effort in many directions in which results would have been hopeless.

The standard measurement of wind-pressures is the force produced by a current of air of one mile per hour velocity striking square against a plane of one square foot area. The practical difficulties of obtaining an exact measurement of this force have been great. The measurements by different recognized authorities vary 50 per cent. When this simplest of measurements presents so great difficulties, what shall be said of the troubles encountered by those who attempt to find the pressure at each angle as the plane

is inclined more and more edgewise to the wind? In the eighteenth century the French Academy prepared tables giving such information, and at a later date the Aeronautical Society of Great Britain made similar experiments. Many persons likewise published measurements and formulas; but the results were so discordant that Professor Langley undertook a new series of measurements, the results of which form the basis of his celebrated work, "Experiments in Aerodynamics." Yet a critical examination of the data upon which he based his conclusions as to the pressures at small angles shows results so various as to make many of his conclusions little better than guess-work.

To work intelligently, one needs to know the effects of a multitude of variations that could be incorporated in the surfaces of flying machines. The pressures on squares are different from those on rectangles, circles, triangles, or ellipses; arched surfaces differ from planes, and vary among themselves according to the depth of curvature; true arcs differ from parabolas, and the latter differ among themselves; thick surfaces differ from thin, and surfaces thicker in one place than another vary in pressure when the positions of maximum thickness are different; some surfaces are most efficient at one angle, others at other angles. The shape of the edge also makes a difference, so that thousands of combinations are possible in so simple a thing as a wing.

We had taken up aeronautics merely as a sport. We reluctantly entered upon the scientific side of it. But we soon found the work so fascinating that we were drawn into it deeper and deeper. Two testing machines were built, which we believed would avoid the errors to which the measurements of others had been subject. After making preliminary measurements on a great number of different-shaped surfaces, to secure a general understanding of the subject, we began systematic measurements of standard surfaces, so varied in design as to bring out the underlying causes of differences noted in their pressures. Measurements were tabulated on nearly 50 of these at all angles from zero to 45 degrees at intervals of $2\frac{1}{2}$ degrees. Measurements were also secured showing the effects on each other when surfaces are superposed, or when they follow one another.

Some strange results were obtained. One surface, with a heavy roll at the front edge, showed the same lift for all angles from $7\frac{1}{2}$ to 45 degrees. A square plane, contrary to the measurements of all our predecessors, gave a greater pressure at 30 degrees than at 45 degrees. This seemed so anomalous that we were almost ready to doubt our own measurements, when a simple test was suggested. A weather-vane, with two planes attached to the pointer at an angle of 80 degrees with each other, was made. According to our tables, such a vane would be in unstable equilibrium when pointing directly into the wind; for if by chance the wind should happen to strike one plane

at 39 degrees and the other at 41 degrees, the plane with the smaller angle would have the greater pressure, and the pointer would be turned still farther out of the course of the wind until the two vanes again secured equal pressures, which would be at approximately 30 and 50 degrees. But the vane performed in this very manner. Further corroboration of the tables was obtained in experiments with the new glider at Kill Devil Hill the next season.

In September and October, 1902, nearly 1,000 gliding flights were made, several of which covered distances of over 600 feet. Some, made against a wind of 36 miles an hour, gave proof of the effectiveness of the devices for control. With this machine, in the autumn of 1903, we made a number of flights in which we remained in the air for over a minute, often soaring for a considerable time in one spot, without any descent at all. Little wonder that our unscientific assistant should think the only thing needed to keep it indefinitely in the air would be a coat of feathers to make it light!

With accurate data for making calculations, and a system of balance effective in winds as well as in calms, we were now in a position, we thought, to build a successful power-flyer. The first designs provided for a total weight of 600 lbs., including the operator and an eight horse-power motor. But, upon completion, the motor gave more power than had been estimated, and this allowed 150 lbs. to be added for strengthening the wings and other parts.

Our tables made the designing of the wings an easy matter, and as screw-propellers are simply wings traveling in a spiral course, we anticipated no trouble from this source. We had thought of getting the theory of the screw-propeller from the marine engineers, and then, by applying our tables of air-pres-
sures to their formulas, of designing air-propellers suitable for our purpose. But so far as we could learn, the marine engineers possessed only empirical formulas, and the exact action of the screw-propeller, after a century of use, was still very obscure. As we were not in a position to undertake a long series of practical experiments to discover a propeller suitable for our machine, it seemed necessary to obtain such a thorough understanding of the theory of its reactions as would enable us to design them from calculations alone. What at first seemed a problem became more complex the longer we studied it. With the machine moving forward, the air flying backward, the propellers turning sidewise, and nothing standing still, it seemed impossible to find a starting-point from which to trace the various simultaneous reactions. Contem-
plation of it was confusing. After long arguments we often found ourselves in the ludicrous position of each having been converted to the other's side, with no more agreement than when the discussion began.

It was not till several months had passed, and every phase of the problem had been thrashed over and over, that the various reactions began to untangle them-
selves. When once a clear understanding had been

obtained there was no difficulty in designing suitable propellers, with proper diameter, pitch, and area of blade, to meet the requirements of the flyer. High efficiency in a screw-propeller is not dependent upon any particular or peculiar shape; and there is no such thing as a "best" screw. A propeller giving a high dynamic efficiency when used upon one machine may be almost worthless when used upon another. The propeller should in every case be designed to meet the particular conditions of the machine to which it is to be applied. Our first propellers, built entirely from calculation, gave in useful work 66 per cent. of the power expended. This was about one-third more than had been secured by Maxim or Langley.

The first flights with the power machine were made on December 17, 1903. Only five persons besides ourselves were present. These were Messrs. John T. Daniels, W. S. Dough, and A. D. Etheridge, of the Kill Devil Life-Saving Station; Mr. W. C. Brinkley, of Manteo; and Mr. John Ward, of Nags-head. Although a general invitation had been extended to the people living within five or six miles, not many were willing to face the rigors of a cold December wind in order to see, as they no doubt thought, another flying machine not fly. The first flight lasted only 12 seconds, a flight very modest compared with that of birds, but it was, nevertheless, the first in the history of the world in which a machine carrying a man had raised itself by its own power into the air in free flight, had sailed forward on a level

course without reduction of speed, and had finally landed without being wrecked. The second and third flights were a little longer, and the fourth lasted 59 seconds, covering a distance of 852 feet over the ground against a 20-mile wind.

After the last flight the machine was carried back to camp and set down in what was thought to be a safe place. But a few minutes later, while we were engaged in conversation about the flights, a sudden gust of wind struck the machine, and started to turn it over. All made a rush to stop it, but we were too late. Mr. Daniels, a giant in stature and strength, was lifted off his feet, and falling inside, between the surfaces, was shaken about like a rattle in a box as the machine rolled over and over. He finally fell out upon the sand with nothing worse than painful bruises, but the damage to the machine caused a discontinuance of experiments.

In the spring of 1904, through the kindness of Mr. Torrence Huffman, of Dayton, Ohio, we were permitted to erect a shed, and to continue experiments, on what is known as the Huffman Prairie, at Sims Station, eight miles east of Dayton. The new machine was heavier and stronger, but similar to the one flown at Kill Devil Hill. When it was ready for its first trial every newspaper in Dayton was notified, and about a dozen representatives of the Press were present. Our only request was that no pictures be taken, and that the reports be unsensational, so as not to attract crowds to our experiment grounds. There were prob-

ably 50 persons altogether on the ground. When preparations had been completed a wind of only three or four miles was blowing—insufficient for starting on so short a track—but since many had come a long way to see the machine in action, an attempt was made. To add to the other difficulty, the engine refused to work properly. The machine, after running the length of the track, slid off the end without rising into the air at all. Several of the newspaper men returned the next day, but were again disappointed. The engine performed badly, and after a glide of only 60 feet, the machine came to the ground. Further trial was postponed till the motor could be put in better running condition. The reporters had now, no doubt, lost confidence in the machine, though their reports, in kindness, concealed it. Later, when they heard that we were making flights of several minutes' duration, knowing that longer flights had been made with airships, and not knowing any essential difference between airships and flying machines, they were but little interested.

We had not been flying long in 1904 before we found that the problem of equilibrium had not as yet been entirely solved. Sometimes, in making a circle, the machine would turn over sidewise despite anything the operator could do, although, under the same conditions in ordinary straight flight, it could have been righted in an instant. In one flight, in 1905, while circling around a honey locust tree at a height of about 50 feet, the machine suddenly began to turn

up on one wing, and took a course toward the tree. The operator, not relishing the idea of landing in a thorn-tree, attempted to reach the ground. The left wing, however, struck the tree at a height of 10 or 12 feet from the ground and carried away several branches; but the flight, which had already covered a distance of six miles, was continued to the starting-point.

The causes of these troubles—too technical for explanation here—were not entirely overcome till the end of September, 1905. The flights then rapidly increased in length, till experiments were discontinued after October 5, on account of the number of people attracted to the field. Although made on a ground open on every side, and bordered on two sides by much-traveled thoroughfares, with electric cars passing every hour, and seen by all the people living in the neighborhood for miles around, and by several hundred others, yet these flights have been made by some newspapers the subject of a great “mystery.”

A practical flyer having been finally realized, we spent the years 1906 and 1907 in constructing new machines and in business negotiations. It was not till May of this year that experiments (discontinued in October, 1905) were resumed at Kill Devil Hill, North Carolina. The recent flights were made to test the ability of our machine to meet the requirements of a contract with the United States Government to furnish a flyer capable of carrying two men and sufficient fuel supplies for a flight of 125 miles, with a

speed of 40 miles an hour. The machine used in these tests was the same one with which the flights were made at Simms Station in 1905, though several changes had been made to meet present requirements. The operator assumed a sitting position, instead of lying prone, as in 1905, and a seat was added for a passenger. A larger motor was installed, and radiators and gasoline reservoirs of larger capacity replaced those previously used. No attempt was made to make high or long flights.

In order to show the general reader the way in which the machine operates, let us fancy ourselves ready for the start. The machine is placed upon a single-rail track facing the wind, and is securely fastened with a cable. The engine is put in motion, and the propellers in the rear whir. You take your seat at the center of the machine beside the operator. He slips the cable, and you shoot forward. An assistant who has been holding the machine in balance on the rail starts forward with you, but before you have gone 50 feet the speed is too great for him, and he lets go. Before reaching the end of the track the operator moves the front rudder, and the machine lifts from the rail like a kite supported by the pressure of the air underneath it. The ground under you is at first a perfect blur, but as you rise the objects become clearer. At a height of 100 feet you feel hardly any motion at all, except for the wind which strikes your face. If you did not take the precaution to fasten your hat before starting, you have probably lost it by

this time. The operator moves a lever: the right wing rises, and the machine swings about to the left. You make a very short turn, yet you do not feel the sensation of being thrown from your seat, so often experienced in automobile and railway travel. You find yourself facing toward the point from which you started. The objects on the ground now seem to be moving at much higher speed, though you perceive no change in the pressure of the wind on your face. You know then that you are traveling with the wind. When you near the starting-point the operator stops the motor while still high in the air. The machine coasts down at an oblique angle to the ground, and after sliding 50 or 100 feet, comes to rest. Although the machine often lands when traveling at a speed of a mile a minute, you feel no shock whatever, and cannot, in fact, tell the exact moment at which it first touched the ground. The motor close beside you kept up an almost deafening roar during the whole flight, yet in your excitement you did not notice it till it stopped!

Our experiments have been conducted entirely at our own expense. In the beginning we had no thought of recovering what we were expending, which was not great, and was limited to what we could afford in recreation. Later, when a successful flight had been made with a motor, we gave up the business in which we were engaged, to devote our entire time and capital to the development of a machine for practical uses. . . .

THE ASSASSINATION OF McKINLEY

By Richard Barry, an Eye-Witness

THIS is the best-written account by an eye-witness of the assassination of President McKinley in the Music Hall of the Pan-American Exposition at Buffalo, New York, September 6, 1901. Barry was a writer for the Buffalo "Enquirer," in which this article appeared.

Czolgosz, the assassin, was an anarchist of Polish-German ancestry, who saw in McKinley an arch-representative of capital as opposed to labor in this country. He fired twice at close range, both bullets taking effect. For eight days hope for the President's recovery was entertained, but he succumbed September 14. Nine days later the assassin was tried, and was electrocuted.

McKinley had served seven months of his second term as President. In defeating Bryan, he received the largest popular majority given a candidate for the Presidency up to that time. Unprecedented honors were paid his memory in foreign capitals, notably London, where memorial services were held in Westminster Abbey and Saint Paul's Cathedral.

saw the arrangements were complete (he did not inspect them minutely, for he surrendered such details

MCKINLEY was never in a more buoyant mood than on his Buffalo trip. This was marked by all who saw him. . . .

The entire occurrences of the two days—the beauty of the exposition, his wife's continued health, the presence of his friends, the favorable reception of his momentous speech, received, as he had hoped it would be, without a full realization of its import, the propitious weather and the strenuous applause—had by that time impregnated him with negative content and positive buoyance. He entered the Temple by a rear door,

to others, and had always been lax in guarding his person), bowed to the guards and reporters present, walked up the aisle to the appointed station and said, pleasantly, that the place was cool.

The Temple was cool, for it had been locked up all day. This offered relief from the swelter without and seemed worthy of its august name. From a point just north of the center, extending southeast and northwest at a forty-five degree angle, slightly broken, were two aisles reaching from the apex like the bend in a finger. These aisles were formed by tightly packed folding seats, pushed back smartly, so that they formed a great inextricable jumble, spread over the floor in reckless confusion, whose edges at the aisle were nicely mended by long strips of purple cloth, pieced at the end in a continuous weave of undulating invitation—invitation to the President's stand at the center. There great palms lifted their somnolent, green shade and a yellow dome, like polished amber, reflected the soft lambent light that streamed in richly from the western windows. For guards there were the regulation exposition police, United States artillery men, city detectives and government secret service men.

A short lull came, the President took his place, Mr. Milburn at the left, Mr. Cortelyou at the right, Detectives Ireland and Foster three feet away in front, several reporters behind, diplomats and officials surrounding, with the guards lining the aisle.

"Let them come," said the President. The doors were opened and the surge outside pushed in the tide of humanity. There was the usual push, the usual hot day sweat, the usual trodden feet, the usual quiet patience of the waiting thousands, and soon a steady stream of people was being pushed by the guards through the aisle and past the President, as logs are propelled down a sluice by men with cant hooks at a spring drive. This continued for about eight minutes, when there appeared at the door—unnoticed at the time—a well-knit young man, whose right hand, with seeming innocence, was in his back pocket. That hand held a pistol, and both were concealed from even the treacherous depths of the pocket by a dirty rag. The rag was a handkerchief, but it had been carried for several days and in the perspiring heat no face mop was presentable after such long usage. It was a cheap handkerchief, plain, unmarked, ordinarily small and sorely soiled, yet it held the deadliest venom on earth.

The hand was slightly nervous, so was the man. Only a close observer would have seen it. The precision of the next few moments would prove that he had nerves of steel; the villain at the climax of a tragedy usually has stage fright, and the young man has since admitted that he came within an ace of backing out there, but was already in the Temple, while the crowd behind made retreat impossible, and forced him slowly to the precipice. He closed his teeth—good, white ones, though he has the fondness

of a tobacco slave for a cigar—and screwed his resolution up to the point of doing. He was well built, had a good wiry form of medium height, an intelligent face with a brow high but narrow, the aquiline nose of determination, a firm chin, a coarse sensual mouth and blue German eyes. It was the head of an egotist, the mouth of an impressionable youth, the nose and chin of a resolute man. The eyes were responsive but not sympathetic, and at that moment were stolid, with little of the fierce light that burns in the basilisk iris of a fanatic. His hair was brushed in wavy brown disorder back from his forehead. At first glance he was not a striking figure. He wore a cheap, dark suit of woolen cloth, a flannel shirt and a string tie—all ordinary, all unnoticeable. He appeared as a mechanic, a printer, a shipping-clerk, a worker at some high-class trade. He moved on down the line, drawing near the President. As soon as he was well past the door he withdrew the handkerchief-enclosed pistol from his pocket, holding both in front of him, as though the hand were wounded and in a sling.

This young man's history is of interest. It is worth tracing. His name was Leon F. Czolgossz (pronounced Tchollgosch). He was 28 years old, born in Detroit, Michigan. He came of poor, Polish-German parents. The mother does not yet speak English, though she has been in this country many years. The father was so indigent that at the time of this writing [1901], he was about Cleveland, his present home, looking for bread or for work, whichever should

be obtainable. Czolgosz has been slightly known to the anarchists of Chicago and the West as Fred Nieman, a surname that in German means "nobody." He has not been a prominent anarchist and it is only as a hanger-on that he is recalled. . . .

The scene [of the shooting] is but partially to be described, or rather to be described from varying angles, no one of which is obtuse enough to comprehend the gaps left by the others, for though hundreds were there, the few minutes of the shots and their denouncement have left an inextricable tangle, about which everyone is sure of the exact happening and about which no two stories agree.

A detective saw the swathed fist and said in passing comment:

"This man has a sore hand."

Another had an inkling of suspicion. "I don't know about that," he said, and reached for Czolgosz's arm. It was too late! The first shot came, low—hardly louder than a cap pistol—then the second, as quick as the self-cocking trigger could work. A vague, startled thrill spread through the crowd; it had been hit a stunning blow and for the moment was numb. About the President action was decisive, sharp, bewildering. A dozen men leaped for the assassin. A big negro, James Parker, burst through the crowd and elbowed his herculean way to an assistance which was too late. George Foster, a government secret service man, in momentary hot revenge, had smashed the assassin's nose, the blood spurting to the

floor, where the two were grappling, Czolgosz struggling for a desperate last shot, his face smeared with red ooze and his eyes bleary with tigerish emotion. But his shots, so close that the peppery powder mottled the President's white vest for many inches with specks of frightful black, had been fatal, and the artilleryman who kicked the pistol from his hand got merely cold satisfaction for his rescue. The marines of the President's guard had meanwhile charged the crowd with fixed bayonets, crying, "Clear out, you sons of —," and were pricking some in driving them from the Temple.

The President was singularly calm. A huge, deep-rooted mountain oak, lightning stricken, stands as he stood then—alone, transfigured, mystified and silent—before toppling to its fall. Those who saw that face and noted its sweet grandeur and its indefinable surprised pathos will carry the memory to the grave. The President had been greeting little children and had just courteously bowed to an old man. He was cheery, light hearted, kindly, patient—such was his nature—and at that moment he was in the heydey of good spirits. Suddenly there was injected into his life this foul, dank crime, blacker than night, more hideous than a dungeon's horrors. It was the envious Casca stabbing in the neck while truckling with a sycophant's leer; but Caesar exclaiming, "Et tu, Brute!" could have shown no greater pity and no greater wounded confidence than did President McKinley at that supreme juncture. His shoulders

straightened to their fullest, broadest height and he quietly surveyed the fiend still holding the smoking, hidden pistol before him. The smile, with its dimpled placid sunniness, left his face, his white lips pressed each other in a rigid line, their convex curving ends lost in the sunken contour of his mouth, and then for the briefest instant his eye assumed the penetration of a man who reads men as other men read books. For that space of time, measured by hardly more than the wink of an eye-lash, the two—assassin and victim—confronted each other. A multiplicity of emotions showed in the President's face, but two were lacking. There was neither fear nor anger. First there was surprise, then reproach, then pity, benevolence, compassion, a sympathy for the wretch, and then an inkling of astounded horror as he realized the enormity of the attack, and finally as the assassin was felled to the floor his great eyes welled with gentle passion and a tear on each cheek told of calm and chastened appeal for him who brought death that wonderful, black day. He did not once lose consciousness nor self-possession. . . . Never was dignity better exemplified, yet it was pathetic. Though hope came afterward, no one then doubted that the President had been fatally wounded. His faithful secretary, George B. Cortelyou, a man of thin and resolute physique, of wiry courage and canny calmness, was more self-possessed than any other save the President. He caught his chief as he fell and with the help of John G. Milburn, president of the exposition,

carried him to a nearby bench. Mr. Cortelyou leaned over the President and asked him if he suffered much pain. The President slowly drew his hand to his bosom, fumbled at his shirt and reached within, groped there with his fingers for a moment, then drew them forth, dabbed with blood.

"This pains me," he said. It was the breast wound, not even serious, while the abdominal shot proved fatal. Then followed a moment of silence, during which the ambulance was being called and the prisoner secured. The President could be seen again moving his fingers inside and under his shirt bosom. He was calm, quiet, conscious, dignified. The movement to his breast was half halting, like a man groping in the dark, for he seemed dazed, though fully alive, to the situation—just as a man in a trance who realizes all that goes on about him and yet is completely above the passing of the events. His hand came out again. He looked at the bloody fingers with circumspection but with no critical examination, as if mentally commenting on his own blood—blood drawn by an assassin—it might be his life's blood.

The hand dropped to his side as of no further consequence—it had served its purpose as a barometer of the condition—and he stared into the filigreed wall opposite, where the evanescent afternoon shadows were making figured tapestry with the reflected light from the tawny-amber dome above and sat there blankly conscious, introspective with deep preoccupation. There were tears in many eyes. Respect with-

held what might have been a curious crowd. The minutes slowly dragged their sullen feet away and out on the floor there was still some belated scuffling with the prisoner. The President noted it and was drawn by its disturbing clatter from the repose of isolation to which he had been brought.

"Be easy with him, boys," he said, and then relapsed again for just the briefest space, the intervals all being hardly noticeable in point of time, then revived and whispered the name of his secretary. Mr. Cortelyou bent over him and heard, spoken slowly:

"My wife—don't let her know of this and if she does don't let it be exaggerated." At that moment Mr. Buchanan, the director-general of the exposition, was admitted to the Temple. He found his way to within a few steps of the President, who recognized him and who had by that time taken wakeful observation of the happenings about him. He looked in Mr. Buchanan's direction and as the other approached nearer said:

"I am sorry that this should have happened at the exposition."

Those three thoughts were uppermost in his mind: desire for fair play with the assassin, anxiety for his wife, and regret for the hurt the exposition might receive. The arrival of the ambulance was six minutes after the shooting and throughout the ride to the hospital the President sat up. . . . Later the President was removed to the Milburn home. For the next six days hope mounted high. Everyone except the

chronic grumblers thought the President would recover. Senator Hanna, his life-long, steadfast friend, saw a rainbow in the sky and declared he believed in "the McKinley star," and Vice-President Roosevelt, who had hurried on a special train to the bedside of the President, was so secure in his belief that he left for the Adirondacks, put civilization behind him and when he was next wanted was forty-two miles from a telegraph wire. The newspapers and the country looked for slow recovery and were counting the period of expected convalescence. The Buffalo papers were rather gleefully commenting on the probability of the city becoming what Secretary Root declared it might become, "the summer capital." Even the doctors were deceived. There were several indications, however, that the President was not yet past the danger point; the feeding of food by injection became impossible because of threatened inflammation and on Thursday morning it was decided to give him a light breakfast. He had toast, coffee, chicken broth, beef juice and finished with rare relish by asking for a cigar. That day, considering everything, was a remarkably bright one. The weather was perfect and the President, said all, was on the road to recovery.

Thursday night brought the first serious sign of danger. The physicians were obliged to give their patient violent purgatives and at 2:30 o'clock of Friday morning the collapse came. His life for the next twenty-four hours was an artificial one. That Friday fell on the 13th—doubly an unlucky day. The city

woke to get the fateful news that the President's pulse had almost ceased its throb and from then on the tell-tale mincings of the official bulletins brought merely varied versions of a "hope against hope."

There was a time through the morning when to hope seemed reasonable. The pulse and temperature had gone back to their normal condition of the day before, but when Secretary Cortelyou, on his regular afternoon visit to the newspaper tent across the street, said with words which had been well weighed: "If the President lives until morning there will be grounds for hope," the immediate analysis brought the conviction that there really was no ground for hope. Throughout the city, from then on, the fact of grave danger was so potent that the air was charged with the momentous import of the situation.

In the sick room the day had been one of battle—a battle against death; and outside, to the world which did not know the details of that fierce fight, there was just as hard a struggle against the deadening fear of the worst. No one wished to admit the grievous fact, but the conclusion was irresistible. Each person who came from the Milburn house—physicians, Cabinet ministers, Senators, Governors and members of the family—brought through the afternoon the word: "He is in peril," and as the careless radiance of the buoyant exposition beyond lit its way into the starry sky all that could be said by anybody was: "He is still alive."

On that last gray and awful night as the great heart beat slower, each feeble minute keeping sure count for the last lingering run of the life-sands, the tension among the watchers grew. It became a tremendous pressure. The creak of a sentry's boot on the pavement in front of the Milburn house, where armed guards paced with clock-like regularity, brought quick response from the newspaper men across the street. There were more than 100 of them. It was no idle crowd, such as gathered down town swearing feeble vengeance against the triumphant murderer. Each was a picked man, chosen for experience and skill. The chief papers of Christendom and many of the minor ones were represented there. This immense tongue, which was to tell the fateful news to 80,000,-000 of William McKinley's fellow citizens and to other millions waiting wherever the telegraph tolls its disturbing click, was hushed in awful preparation for its direful loosening. At the word, that avalanche of news was to be poured onto the world—a thunderbolt from the night.

The moments dragged, each one heavy with expectancy and each one supposed to be the last. Mrs. McKinley was induced to take rest and the entire number of those who waited were in the condition of a condemned man waiting for the rope to drop. A heart specialist from Washington arrived at midnight, at record-breaking pace, in an electric automobile, but it was too late. . . . The end came quietly, like the ebbing of the tide, at that indistinct

time of the early morning when lives most frequently go out.

The President had been unconscious for seven hours; he died at 2:15. In the evening, before lapsing into mere breathing life, there occurred that spiritual uplift which was to place the final, lasting purport of a sacred benediction on his life's best effort. As his soul reeled on the brink for that concluding conscious moment before its dissolution, there came to him a flitting period of time wherein the memory of his long life of deeds and thoughts, his wife, his children and his friends, passed before him like the phantasmia of a dream, and with that vision in his already death-glazed eyes he murmured slowly:

"Good—bye—all,—good—bye!—It—is—God's—way.—His—will,—not—ours,—be—done."

The rest was silence. With that resignation in his heart he found eternity. It was a simple, manly death—a death worthy the President of the United States.

ROOSEVELT SUCCEEDS McKINLEY

Roosevelt's Own Account

LOOKING backward, the apprehension of Vice-President Roosevelt's friends that, on succeeding to the Presidency, he would be "a pale copy of McKinley" were quite idle. Never was there a more strenuous and individual Chief Executive in the White House.

In his "Autobiography," from which this account is taken, by permission of The Macmillan Company, Roosevelt tells of being in the Adirondacks, fifty miles from a railroad, when informed by a guide that McKinley had succumbed to the assassin's bullet. Proceeding to Buffalo, Roosevelt took the oath of office September 14, 1901.

In addition to adhering to the policies of his predecessor, the twenty-sixth President asserted his strong individuality in 1902 by practically forcing the anthracite coal operators and striking miners to arbitrate their differences—an act without precedent in the history of his office. Throughout his administration Roosevelt was the most active and conspicuous figure in American public life.

coming out of the woods on our trail from below. I felt at once that he had bad news, and, sure enough,

ON September 6, 1901, President McKinley was shot by an anarchist in the city of Buffalo. I went to Buffalo at once. The President's condition seemed to be improving, and after a day or two we were told that he was practically out of danger. I then joined my family, who were in the Adirondacks, near the foot of Mount Tahawus. A day or two afterwards we took a long tramp through the forest, and in the afternoon I climbed Mount Tahawus. After reaching the top I had descended a few hundred feet to a shelf of land where there was a little lake, when I saw a guide

he handed me a telegram saying that the President's condition was much worse and that I must come to Buffalo immediately. It was late in the afternoon, and darkness had fallen by the time I reached the clubhouse where we were staying. It was some time afterwards before I could get a wagon to drive me out to the nearest railway station, North Creek, some forty or fifty miles distant. The roads were the ordinary wilderness roads and the night was dark. But we changed horses two or three times—when I say "we" I mean the driver and I, as there was no one else with us—and reached the station just at dawn, to learn from Mr. Loeb, who had a special train waiting, that the President was dead. That evening I took the oath of office, in the house of Ansley Wilcox, at Buffalo.

On three previous occasions the Vice-President had succeeded to the Presidency on the death of the President. In each case there had been a reversal of party policy, and a nearly immediate and nearly complete change in the personnel of the higher offices, especially the Cabinet. I had never felt that this was wise from any standpoint. If a man is fit to be President, he will speedily so impress himself in the office that the policies pursued will be his anyhow, and he will not have to bother as to whether he is changing them or not; while as regards the offices under him, the important thing for him is that his subordinates shall make a success in handling their several departments. The subordinate is sure to desire to make a success of

his department for his own sake, and if he is a fit man, whose views on public policy are sound, and whose abilities entitle him to his position, he will do excellently under almost any chief with the same purposes.

I at once announced that I would continue unchanged McKinley's policies for the honor and prosperity of the country, and I asked all the members of the Cabinet to stay. There were no changes made among them save as changes were made among their successors whom I myself appointed. I continued Mr. McKinley's policies, changing and developing them and adding new policies only as the questions before the public changed and as the needs of the public developed. Some of my friends shook their heads over this, telling me that the men I retained would not be "loyal to me," and that I would seem as if I were "a pale copy of McKinley." I told them that I was not nervous on this score, and that if the men I retained were loyal to their work they would be giving me the loyalty for which I most cared; and that if they were not, I would change them anyhow; and that as for being "a pale copy of McKinley," I was not primarily concerned with either following or not following in his footsteps, but in facing the new problems that arose; and that if I were competent I would find ample opportunity to show my competence by my deeds without worrying myself as to how to convince people of the fact.

THE HAY-PAUNCEFOTE TREATY OF 1901

Text of the Treaty

AT THE time this important Treaty was consummated, November 18, 1901, its signers, John Hay and Lord Julian Pauncefote, were respectively American Secretary of State and British Ambassador to the United States. Incidentally, Pauncefote was the first British Ambassador to Washington, preceding British envoys having been designated Ministers. He was well-qualified to negotiate such a Treaty, having served as British Commissioner to Paris in the Suez Canal negotiations of 1885.

The signing of this Treaty, of course, opened the way to the building of the Panama Canal. One of several notable diplomatic achievements of Secretary Hay, it was transmitted to the Senate by President Roosevelt on December 5, 1901, and was ratified, with but slight opposition, eleven days later. A former Treaty had been drafted, but was not acceptable to the British government, who did not care to guarantee the canal's neutrality.

auspices of the Government of the United States. . . .

THE United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the Convention of the 19th April, 1850, commonly called the Clayton - Bulwer Treaty, to the construction of such canal under the

ARTICLE I.

The High Contracting Parties agree that the present Treaty shall supersede the afore-mentioned Convention of the 19th April, 1850.

ARTICLE II.

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provision of the present Treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE III.

The United States adopts, as the basis of the neutralization of such ship canal, the following Rules, substantially as embodied in the Convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these Rules, on terms of entire equality, so that there shall

be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of the Article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time, except in case of distress, and in such case, shall depart as soon as possible; but a vessel of

war of one belligerent shall not depart within twenty-four hours from a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all work necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this Treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE IV.

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the High Contracting Parties under the present Treaty.

ARTICLE V.

The present Treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date thereof.

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In faith whereof the respective Plenipotentiaries have signed this Treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of Our Lord one thousand nine hundred and one.

JOHN HAY.
PAUNCEFOTE.

THE CAPTURE OF AGUINALDO

By Brigadier-General Frederick Funston

FUNSTON, whose account of the capture of the Filipino insurrection leader is given here by permission of "Scribner's Magazine," in which it originally appeared, went to the Philippines in 1898 as colonel of the Twentieth Kansas Volunteers, and in the following year was made a brigadier-general for bravery at Calumpit. In March, 1901, he commanded the expedition which surprised and captured Aguinaldo in the manner described, at Palanan, Island of Luzon.

On April 2, 1901, Aguinaldo formally took the oath of allegiance to the United States. For two years he had braved the military power of this country, leading an unsuccessful attack on Manila on February 4-5, 1899, and thereafter conducting a guerilla warfare in behalf of Filipino independence.

After performing this exploit, Funston was in command of the department of California, and during the San Francisco earthquake of April, 1906, placed the city under martial law and brought order out of chaos.

about sixty miles to the north-east, at the foot of the western slope of the massive mountain range that

IT was the 8th day of February, 1901, and in the room that served as an office in the headquarters building at San Isidro, I was going over the morning's work with the adjutant-general of the district, Captain E. V. Smith, when there arrived a telegram that for the moment disturbed our equanimity—a brief message that was to have no small part in the making of the history of the Philippine insurrection. It was signed by Lieutenant J. D. Taylor, Twenty-fourth Infantry, commanding the company of that regiment that constituted the garrison of the town of Pantabangan,

separates the great central plain of Luzon from the Pacific coast of the island, and was to the effect that a small band of insurgent soldiers had voluntarily presented themselves to him, and that the man in command had stated that he was the bearer of dispatches from Emilio Aguinaldo to certain subordinates in central and southern Luzon. The letters addressed to Baldomero, Aguinaldo, Alejandrino, Urbano Lacuna, Pablo Tecson, Simon Tecson, Teodoro Sandico, and other insurgent leaders, were in cipher and so could not be read, and evidently signed ficticiously, though in a handwriting that seemed to resemble that of Aguinaldo.

For more than a year the exact whereabouts of the elusive chieftain of the insurgent Filipinos had been a mystery. Rumor located him in all sorts of impossible places, but those best qualified to judge thought that he was somewhere in the great valley of the Cagayan, in the northern part of the island, or in one of the extensive mountain ranges on either side of it. Probably few if any of those in high command among the insurgent forces knew where he was, as he was taking every precaution against treachery, or the disclosure of his hiding-place by the capture of correspondence, having gone so far as to forbid that the name of his temporary capital should be put on paper in any of the letters sent out by himself or staff. A few trusted men saw that letters to him reached their destination.

The period of guerilla warfare that had succeeded the heavier fighting of the earlier days of the insurrection had now lasted more than a year and a half, and it must be confessed that from our stand-point the results had not been satisfactory. Scattered all over the Philippines we had more than seventy thousand troops, counting native auxiliaries, and these in detachments varying in size from a regiment to less than a company garrisoned every town of importance and many places that were mere villages. Through the country everywhere were the enemy's guerilla bands, made up not only of the survivors of the forces that had fought us earlier in the war, but of men who had been recruited or conscripted since. We had almost worn ourselves out chasing these marauders, and it was only occasionally by effecting a surprise or through some streak of good fortune that we were able to inflict any punishment on them, and such successes were only local and had little effect on general conditions. These guerillas persistently violated all the rules that are supposed to govern the conduct of civilized people engaged in war, while the fact that they passed rapidly from the status of peaceful non-combatants living in our garrisoned towns to that of men in arms against us made it especially difficult for us to deal with them. It was realized that Aguinaldo from his hiding-place, wherever it might be, exercised through their local chiefs a sort of general control over these guerilla bands, and as he was insistent that the Filipinos should not accept

American rule, and as he was still recognized as the head and front of the insurrection, many of us had long felt that the thing could not end until he was either out of the way, or a prisoner in our hands.

Therefore it was but natural that the telegram from Lieutenant Taylor should have created no little excitement, though as I now recollect the circumstances I do not believe that it occurred to any one of us that we would be able to do more than transmit the information for what it might be worth to higher authority, the plan which afterward worked so successfully being evolved later. It was directed that the leader of the surrendered band, with the correspondence that he had given up, be sent to San Isidro with all possible speed. With an escort of soldiers he arrived in less than two days, and proved to be a very intelligent Ilocano, giving his name as Cecilio Segismundo. After being well fed he told me the story of his recent adventures. . . .

According to his story, he was one of the men attached to Aguinaldo's head-quarters and had been with him many months, his principal duty being such errands as the one that he had now been sent out on, that is, carrying official mail between the insurgent chief and his subordinates. On the 14th of January, accompanied by a detachment of twelve armed men of Aguinaldo's escort, he had left with a package of letters to be delivered to Urbano Lacuna, the insurgent chief in Nueva Ecija province, who was to forward to their final destinations those that were not meant for

him. After a terrible journey down the coast and through mountains he had, in the vicinity of Baler, encountered a small detachment of our troops out on a scouting expedition and had lost two of his men. . . . After this encounter Segismundo and his little band had made their way across the pass through the mountain range to the westward, and finally, twenty-six days after leaving Palanan, had reached the outskirts of the town of Pantabangan. Here, foot-weary and hungry, he communicated with the local "presidente," or mayor, who had formerly acted in the same capacity for the insurgent government that he was now filling under American rule.

. . . Segismundo then went on to tell of conditions at Palanan. Aguinaldo with several officers of his staff and an escort of about fifty uniformed and well-armed men had been there for several months, and had been in constant communication with his various subordinates by means of messengers. The residents of the town and most of the soldiers of his escort were not aware of his identity. He passed as "Captain Emilio," and by those who did not know him to be Aguinaldo was supposed to be merely a subordinate officer of the insurrection. . . .

. . . Our attention was now given to the surrendered correspondence, but those not in cipher contained little of importance. . . .

. . . The most important letter and the one that was the final undoing of its writer, was to his cousin, Baldomero Aguinaldo, then in command of the in-

surgent bands operating in Cavite province just south of Manila.

This directed the person to whom it was addressed to proceed at once to the "Centre of Luzon," and, using the communication as authority, to supersede in command José Alejandrino, who evidently was not giving satisfaction to his chieftain. As soon as he had established himself in command, Baldomero was to direct his subordinates, that is Lacuna, Mascardo, Simon and Pablo Tecson, and possibly one or two others to send him detachments of men until the aggregate should reach about four hundred. . . .

. . . By morning I had thought out the general features of the plan which was eventually to succeed. . . . It was settled beyond the possibility of a doubt that no force the nature of which was known could even get within several days' march of him. So the only recourse was to work a stratagem, that is to get to him under false colors. It would be so impossible to disguise our own troops, that they were not even considered, and dependence would have to be placed on the Macabebes, those fine little fighters, taking their name from their home town, who had always been loyal to Spain and who had now transferred their loyalty to the United States. As it would be absolutely essential to have along some American officers to direct matters and deal with such emergencies as might arise, they were to accompany the expedition as supposed prisoners who had been captured on the march, and were not to throw off that

disguise until there was no longer necessity for concealment. . . .

In order to pave the way for the bogus reinforcements, which were supposed to be those from Lacuna's command, it was considered essential to have them preceded by letters from that individual. . . . Aguinaldo himself afterward told me that it was the supposed letters from Lacuna that threw him entirely off his guard and caused him to welcome the supposed reinforcements. . . .

On the night of March 6th the "Vicksburg" slipped out of Manila Bay, and steered south in order to pass through the straits of San Bernardino. . . .

Fortunately for us, the weather was thick and squally, and at one o'clock on the morning of the 14th, the "Vicksburg" having very carefully approached the coast, with all her lights screened, we were landed in the ship's boats. . . .

. . . All day of the 22d we stumbled along in a half dazed condition, marching the entire day without food. Our men were scattered for a mile along the beach, some of them so weak that they reeled as they walked. It was plain that the end was at hand, but we were approaching our destination. It seemed impossible that the madcap enterprise could succeed, and I began to have regrets that I had led all these men to such a finish, for it must be remembered that we still expected to have to fight Tinio with his four hundred men, and it did not now seem that there was any fight left in the outfit. Every mile during this

afternoon we expected the crackle of rifle fire from some cliff. About five o'clock we saw a man ahead of us along the beach, evidently watching us. The crisis was at hand, and Segovia went to meet him, while we made some attempt to close up the column. We breathlessly watched Segovia and the man while they were talking, and saw the latter hand the former a letter. Segovia came limping back down the column, and as he passed us Americans said in Spanish, "It is all right. We have them." What a load it lifted off our minds! We were now within ten miles of our quarry. The letter, which Segovia opened and read at once and then passed to me, was from Simon Villa, Aguinaldo's chief of staff, and was addressed to "Lieutenant-Colonel Hilario Tal Placido." Although it showed that our ruse was working and that our real identity was not even suspected, there was in it one thing that disturbed us greatly, this being an order that the five prisoners should not be brought into Palanan, as they might find out that the "Dictator" was there, but would be left under a guard of ten men at the place known as Dinundungan. Just think of living in a place with such a name as that! We had in some way to circumvent this plan, and succeeded, though it brought us nearer to disaster than any other thing connected with the expedition. We marched two miles further up the beach and reached Dinundungan, which was not a town but merely the name of a locality, it being the point where a trail from Palanan, eight miles distant, reaches the beach. Here

we found an old Tagalo in charge of a few Negritos just completing a couple of small grass-roofed open sheds, one of which was for the prisoners and the other for their guard. It was already dark, and again we lay down supperless to bed, if one could call the water-soaked ground by such a name. In whispers we discussed the situation, and before going to sleep had worked out our little scheme. But we had to have food, or the march of eight miles would be out of the question, so Hilario wrote a note to Villa reporting his arrival at Dinundungan, and stated that in the morning he would resume the march to Palanan, but that food was necessary, as his men were so weak from hunger that they could go no further. The orders directing that the prisoners be left where he then was had been received, and would be complied with. This letter was sent to Palanan by one of the Negritos, and by daylight a sufficient quantity of cracked corn to give us all a fairly satisfactory meal had arrived. . . .

. . . At last, morning came on the great day, nine days after we had landed from the "Vicksburg," and we set to work to pull the wool over the eyes of the old Tagalo who had constructed the sheds, and who knew that the prisoners were to be left with him. It was taken for granted that if we boldly disobeyed the instructions he would light out to Palanan with the news. An attempt to seize him was considered too risky, as some of the Negritos might get away and give the alarm. So we again had recourse to the

pen, which certainly is sometimes mightier than the sword. We picked out one of the most intelligent of the Macabebe corporals as the man who was to be left in charge of us with a guard of nine men, and gave him his instructions. A letter to him from Segovia was then prepared informing him that a messenger from Palanan had been met on the trail with a letter from the chief of staff revoking previous instructions relative to the prisoners, and directing that he immediately follow with them. At eight o'clock the main column left on the trail to Palanan, leaving us with our guard. In about an hour two of the Macabebes came running down the trail and very ostentatiously handed to the corporal a note, which he showed the old Tagalo, who was able to read it, it being in his dialect. The old fellow merely remarked that he did not see why they had put him to so much trouble if they did not intend to use the shelters. This disposed of him, and with our guard we set out along the trail, the two Macabebes who had brought the bogus letter accompanying us. Fortunately, we now had with us only our own people, and were relieved from the trying necessity of watching every action for fear it would arouse suspicion in the minds of the Casiguran men, who were with the main body. The trail led in a north-westerly direction and was very muddy, as the sunlight seldom reached the ground in those dense and gloomy woods. Despite our breakfast, we were very weak, and were six hours in covering the eight miles. Of the Americans, Mitchell and I were in the

worst shape, the Hazzards and Newton standing it better. I had to lie down flat on the ground every few hundred yards to get a rest of a moment of two. We crossed and recrossed many times by wading a small branch of the Palanan river. About half-way to the town we were disturbed by meeting a Macabebe sergeant and one of the privates, coming back along the trail as rapidly as they could. The two men were out of breath, and simply motioned frantically to us to get off the trail and hide in the woods. This we did, and they joined us. The sergeant quickly explained that some real insurgent soldiers were on the way to Dinundungan to take charge of us, in order that all the men of our party might be able to come to Palanan. Soon we heard the men come splashing along laughing and talking. They passed within thirty feet of us, as we lay close to the ground, almost fearing to breathe. If they had met us in the trail or discovered us in our hiding place it would have all been off then and there, as they would have insisted on taking charge of us and conducting us back to Dinundungan. A fight would have been the result; the firing would have been heard in Palanan, and the least that could happen was that the quarry would escape. For we now knew, having been so informed by the old Tagalo at Dinundungan, that the story of Tinio having reached Palanan with four hundred men was a myth, the only troops there being about fifty men of Aguinaldo's escort. Anyhow, this was the closest call the expedition had, and it owed its salvation to the

quick-witted Segovia. The main body that he was with had met the detachment in the trail, and upon inquiry had learned from the non-commissioned officer in charge his instructions. Detaining the man in conversation for a moment, he managed to step aside and whisper to one of the sergeants to hurry back down the trail and warn us. . . .

The main interest now centres in the adventures of the main column, the one by which the actual capture was made. About a mile outside the town it was met by a couple of insurgent officers, who escorted them the remainder of the distance. About three o'clock they approached the Palanan River, here about a hundred yards wide and quite deep, and saw the town on the other side. The only way to cross this stream was by means of a rather good-sized "banca." Hilario and Segovia crossed with the first load, leaving instructions for the men to follow as rapidly as they could, form on the opposite bank, and then march up to Aguinaldo's house, where they would find him. The boat was to be sent back to await our arrival. Segovia and Hilario now had a most trying half hour. They called on Aguinaldo at his head-quarters, and found him surrounded by seven insurgent officers, all of them armed with revolvers. Outside, the fifty men of the escort, neatly uniformed and armed with Mausers, were drawn up to do the honors for the reinforcements that had made such a wonderful march to join them. Segovia and Hilario entertained those present with stories of the march

from Lacuna's head-quarters, and were warmly congratulated on having made it successfully. Segovia took his position where he could look out of one of the open windows and see when the time had arrived. Finally, the Macabebes under Donisio Bató and Gregorio Cadhit marched up, Segovia stepped to the head of the stairway outside the house, for they were in the second story, and signalled to Gregorio, who called out, "Now is the time, Macabebes. Give it to them." The poor little "Macs" were in such a nervous state from their excitement over the strange drama that they were playing a part in that they were pretty badly rattled. They had loaded their pieces and were standing at "order arms," as were the men of the escort facing them on the other side of the little square. They fired a ragged volley, killing two men of the escort and very severely wounding the leader of Aguinaldo's band, who happened to be passing between the lines when fire was opened. Aguinaldo, hearing the firing, and thinking that the men of his escort had broken loose to celebrate the arrival of the reinforcements, stepped to the window, and called out, "Stop that foolishness. Don't waste your ammunition." Before he could turn around Hilario had grasped him about the waist and thrown him under a table, where he literally sat on him, and Hilario was a fat man. I had given the most positive orders to the effect that under no circumstances should Aguinaldo be killed, and that no lives should be taken unless it was absolutely necessary. . . . As Hilario grasped

Aguinaldo, he had said, "You are a prisoner of the Americans," so that the fallen "Dictator," as he now called himself, had some sort of a vague idea of what had happened to him.

In the meantime we Americans with our supposed guard had reached the river, jumped into the "banca" waiting for us, and had paddled across in frantic haste. Running up the bank toward the house, we were met by Segovia, who came running out, his face aglow with exultation, and his clothing spattered with the blood of the men he had wounded. He called out in Spanish, "It is all right. We have him." We hastened into the house, and I introduced myself to Aguinaldo, telling him that we were officers of the American army, that the men with us were our troops, and not his, and that he was a prisoner of war. He was given assurance that he need fear no bad treatment. He said in a dazed sort of way, "Is this not some joke?" I assured him that it was not, though, as a matter of fact, it was a pretty bad one, on him. While naturally agitated, his bearing was dignified, and in this moment of his fall there was nothing of the craven. He is a man of many excellent qualities, far and away the best Filipino I ever was brought in contact with. . . .

We supposed prisoners now took command. . . . Aguinaldo . . . wrote and handed to me a brief note, congratulating me on the outcome of the perilous expedition. In fact, the pleasantest relations were soon established between captors and captured. . . .

THE PURCHASE OF THE PANAMA CANAL

By President Theodore Roosevelt

PRESIDENT ROOSEVELT wrote this special message to Congress on December 15, 1908, as a reply to persistent newspaper insinuations that the purchase of the Panama Canal property from the French Company, in 1902, was a corrupt deal. With characteristic vigor he denounces the "stories" as "scurrilous and libelous in character and false in every essential particular."

The purchase and construction of the Canal was a signal achievement of the Roosevelt administration. It was made possible by the Hay-Pauncefote Treaty and by the fact that the Canal project was a "white elephant" on the hands of the New Panama Canal Company of France, as successor to the De Lesseps Company. As Roosevelt points out, the purchase price of \$40,000,000 was reasonable and was only accepted by the French for fear the United States would build a canal across Nicaragua instead. Begun in 1902, the Canal was completed and began operating August 15, 1914. It cost \$375,000,000.

ies were scurrilous and libelous in character and false in every essential particular. Mr. Smith shelters him-

IN view of the constant reiteration of the assertion that there was some corrupt action by or on behalf of the United States Government in connection with the acquisition of the title of the French Company to the Panama Canal and of the repetition of the story that a syndicate of American citizens owned either one or both of the Panama companies, I deem it wise to submit to the Congress all the information I have on the subject. These stories were first brought to my attention as published in a paper in Indianapolis, called the "News," edited by Mr. Delavan Smith. The stor-

self behind the excuse that he merely accepted the statements which had appeared in a paper published in New York, the "World," owned by Mr. Joseph Pulitzer. It is idle to say that the known character of Mr. Pulitzer and his newspaper are such that the statements in that paper will be believed by nobody; unfortunately, thousands of persons are ill informed in this respect and believe the statements they see in print, even though they appear in a newspaper published by Mr. Pulitzer. A Member of the Congress has actually introduced a resolution in reference to these charges. I therefore lay all the facts before you.

The story repeated at various times by the "World" and by its followers in the newspaper press is substantially as follows: That there was corruption by or on behalf of the Government of the United States in the transaction by which the Panama Canal property was acquired from its French owners; that there were improper dealings of some kind between agents of the Government and outside persons, representing or acting for an American syndicate, who had gotten possession of the French Company; that among these persons, who it was alleged made "huge profits," were Mr. Charles P. Taft, a brother of Mr. William H. Taft, then candidate for the Presidency, and Mr. Douglas Robinson, my brother-in-law; that Mr. Cromwell, the counsel for the Panama Canal Company in the negotiations, was in some way implicated with the United States governmental authorities in these improper transactions; that the Government has con-

cealed the true facts, and has destroyed, or procured or agreed to the destruction of, certain documents; that Mr. W. H. Taft was Secretary of War at the time that by an agreement between the United States Government and the beneficiaries of the deal all traces thereof were "wiped out" by transferring all the archives and "secrets" to the American Government, just before the holding of the Convention last June at which Mr. Taft was nominated.

These statements sometimes appeared in the editorials, sometimes in the news columns, sometimes in the shape of contributions from individuals either unknown or known to be of bad character. They are false in every particular from beginning to end. The wickedness of the slanders is only surpassed by their fatuity. So utterly baseless are the stories that apparently they represent in part merely material collected for campaign purposes and in part stories originally concocted with a view of possible blackmail. The inventor of the story about Mr. Charles P. Taft, for instance, evidently supposed that at some period of the Panama purchase Mr. W. H. Taft was Secretary of War, whereas in reality Mr. W. H. Taft never became Secretary of War until long after the whole transaction in question had been closed. The inventor of the story about Mr. Douglas Robinson had not taken the trouble to find out the fact that Mr. Robinson had not the slightest connection, directly or indirectly, of any kind or sort with any phase of the Panama transaction from beginning to

end. The men who attacked Mr. Root in the matter had not taken the trouble to read the public documents which would have informed them that Mr. Root had nothing to do with the purchase, which was entirely arranged through the Department of Justice under the then Attorney-General, Mr. Knox. . . .

Meanwhile I submit to you all the accompanying papers, so that you may have before you complete information on the subject. . . .

In the Act approved June 28, 1902, "To provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," the Congress provided as follows:

"That the President of the United States is hereby authorized to acquire, for and on behalf of the United States, at a cost not exceeding forty millions of dollars, the rights, privileges, franchises, concessions, grants of land, right of way, unfinished work, plants, and other property, real, personal, and mixed, of every name and nature, owned by the New Panama Canal Company, of France, on the Isthmus of Panama, and all its maps, plans, drawings, records on the Isthmus of Panama, and in Paris, including all the capital stock, not less, however, than sixty-eight thousand eight hundred and sixty-three shares of the Panama Railroad Company, owned by or held for the use of said Canal Company, provided a satisfactory title to all of said property can be obtained."

It thereupon became the duty of the President, in execution of this statute, to purchase the property

specified from the New Panama Canal Company, of France, provided he could obtain a satisfactory title. The Department of Justice was instructed to examine the title, and after such an examination Attorney-General Knox reported that a satisfactory title could be obtained. Payment of the purchase price was thereupon made to the New Panama Canal Company, in accordance with the act of the Congress, and the property was conveyed by that company to the United States. It was no concern of the President, or of any officer of the Executive Department, to inquire as to what the New Panama Canal Company did with the money which it received. As a matter of fact, the New Panama Canal Company did distribute the money between its shareholders and the shareholders of the preceding Panama Canal Company in accordance with the decree of a French court, and the records of the French court show who were the shareholders who received the money; but that is no concern of ours.

I call your attention to the accompanying statement as to the attempt to form an American company in 1899 for the purpose of taking over the property of the French Company. This attempt proved abortive. There was no concealment in its effort to put through this plan; its complete failure and abandonment being known to every one.

The important points set forth in the accompanying papers, and in the papers to which I have referred you, are as follows:

The investigation of the history, physical condition, and existing value of the enterprise by the Congress, resulting in the enactment of the law of 1902 authorizing the President to acquire the property for the sum of \$40,000,000 upon securing a satisfactory title and thereupon to undertake the work of construction; the failure of the Americanization of the enterprise in 1899; the transmission by me to the Congress from time to time of full information and advice as to the relations of this Government to transit across the Isthmus and under the treaties, as to the negotiations and final acquisition of the title, and later as to the progress and condition of the work of construction; the previous authorization of the sale to the United States by the stockholders of the new company and their subsequent ratification; the examination and approval of the title by Mr. Knox; the arrangements for payment through J. P. Morgan & Company as the fiscal agents of this Government, and the payment accordingly at the Bank of France upon proper official receipts to the liquidators acting under the decree of the French court, the French governmental body having jurisdiction in the matter; and, finally, the subsequent apportionment and distribution of the fund to the creditors and stockholders of the two companies under that decree.

The Panama Canal transaction was actually carried through not by either the then Secretary of State, Mr. John Hay, or the then Secretary of War, Mr. Elihu Root, both of whom, however, were cognizant

of all the essential features; but by the then Attorney-General, Mr. P. C. Knox, at present Senator from Pennsylvania. I directed or approved every action, and am responsible for all that was done in carrying out the will of the Congress; and the provisions of the law, enacted by Congress after exhaustive examination and discussion, were scrupulously complied with by the Executive. While the transaction was pending I saw Mr. Cromwell but two or three times, and my communications with him were limited to the exchange of purely formal courtesies. Secretary Hay occasionally saw him, in the same manner; I doubt whether Mr. Root held any conversation with him. The Attorney-General saw him frequently, as he was counsel for the Panama Company; their communications were official, as representing the two sides. . . .

The title to the Panama Canal properties was vested in the New Panama Canal Company of France, which was the legal owner thereof, and the old or so-called De Lesseps Company had a large equity therein. The title was not in a New Jersey company nor in any other American company, nor did this Government have any dealings with any American company throughout the affair.

The exact legal status, to the most minute detail, appears in the exhaustive opinion of Attorney-General Knox approving the title to be given to the United States, which clearly establishes that the only party dealt with was the New Panama Canal Company of France (with the concurrence of the liquida-

tor of the old company) and not any American corporation or syndicate.

The action of the United States Government was, of course, wholly uninfluenced by, and had nothing whatever to do with, any question as to who were, or who had been, the security-holders of either the new or the old company. Who such security-holders were was not our affair. If, as a matter of fact, the Canal companies, either or both, had been owned by American citizens or by citizens of any other nationality, it would not have altered in the slightest degree the action taken by this Government. Our concern was to get the canal property which was owned by the French Company, and to see that the title was clear. Our transactions were carried on openly, and were published in detail, and we dealt solely (so far as the interests of the old Panama Company were concerned) with the liquidator appointed by the proper French governmental body, the Civil Tribunal of the Seine, and in accordance with the decree of this same tribunal, with the New Panama Canal Company, which also went into liquidation upon the sale to the United States. All our transactions were carried on openly, and were published in detail.

The distribution of our payment of \$40,000,000 follows the award of arbitrators chosen by the new company and the liquidator, authorized by the decree of this same Civil Tribunal of the Seine, and providing for a determination of the proportionate division between the new and old companies. We paid the

money through the New York banking house of Messrs. J. P. Morgan & Company, acting as fiscal agents of this Government, into the Bank of France in Paris. The receipts and accounts of our Treasury Department show the payment of the money into the Bank of France and account for the money being paid over to the liquidator appointed by the Civil Tribunal of the Seine and to the New Panama Canal Company of France, the proportion of the forty million dollars being 128,600,000 francs to the liquidator of the old company and 77,400,000 francs to the New Panama Canal Company of France in liquidation. In these payments we followed to the letter the decree of the governmental tribunal of France which had the authority to make such a decree, the Civil Tribunal of the Seine. We had neither desire nor authority to go behind this decree of this proper governmental body, as all the conflicting rights of the security-holders of both companies had been settled by the decree of said court by ratification of the arbitration which resulted in that division.

I wish to make as clear as possible, and as emphatic as possible, the statement that we did not have anything to do with the distribution of a dollar of the \$40,000,000 we paid as regards any stockholder or bondholder of the French Companies, save that we followed out the award of the arbitrators appointed in accordance with the decree of the French court which had dealt with the subject in awarding a certain proportion to the old company and a certain pro-

portion to the new company. Any question concerning the stockholders, bondholders, or other beneficiaries of the proceeds of sale was purely a question for the Civil Tribunal of the Seine, the French governmental body, with which this Nation had nothing whatever to do. . . .

The New Panama Canal Company of France is in liquidation. As the accompanying papers set forth, this liquidated company received as its proportion of the \$40,000,000 the sum of 77,400,000 francs, and this amount was distributed by the liquidation in three payments through four leading banks of Paris, covering a period of the past four years, and to shareholders numbering about 6,000. Every step of the transaction was not only taken publicly, but was, contemporaneously therewith, advertised in the legal and financial papers of France, and the banks making the payments took proper receipts from all the parties to whom payments were made, as is customary in such cases.

The capital of the New Panama Canal Company of France was 65,000,000 francs, and the distribution thus made amounted to about 130 francs on each share of 100 francs. No dividends were paid during the ten years of the company's existence. It therefore resulted that the shareholders only recovered their original investment with annual interest of about three per cent.

The accounts and records of this liquidation, which was concluded in June last, are on deposit with the

Crédit Lyonnaise of Paris as a proper custodian of the same, appointed upon such liquidation. Recently a request was made by a private individual to inspect the records of these payments, but answer was made by the custodians that they saw no proper reason for granting such request by a stranger, and, inasmuch as there is not the slightest ground for suspicion of any bad faith in the transaction, it hardly seems worth while to make the request; but if the Congress desires, I have no doubt that on the request of our Ambassador in Paris, the lists of individuals will be shown him.

As a matter of fact, there is nothing whatever, in which this Government is interested, to investigate about this transaction. So far as this Government is concerned, every step of the slightest importance has been made public by its Executive, and every step taken in France has there been made public by the proper officials.

The Congress took the action it did take after the most minute and exhaustive examination and discussion, and the Executive carried out the direction of the Congress to the letter. Every act of this Government, every act for which this Government had the slightest responsibility, was in pursuance of the act of the Congress here, and following out the decree of the Civil Tribunal of the Seine in France.

Furthermore, through the entirely voluntary act of Mr. Cromwell, I am now able to present to you full information as to these actions in France with

which this Government did not have any concern, and which are set forth in the accompanying papers.

It may be well to recall that the New Panama Canal Company of France did not itself propose or fix the figure \$40,000,000 as the valuation of the canal and railroad properties. That sum was first fixed by our Isthmian Canal Commission in its reports to the Congress after two years of investigation and personal inspection of all the properties and work already done, whereby the properties and the work done were in detail appraised at that sum as their value to the United States. The French Company steadily refused for over two years to make any offer whatever in answer to the many written requests of the Isthmian Canal Commission; and when its president did approach the question of price, it was on the basis of \$100,000,000. Later, under conditions not necessary now to rehearse, the company, by cable, accepted the appraisement of \$40,000,000 made by our Commission. This Government, therefore, acquired all the properties and concessions, both of canal and railroad, at its own valuation and price, the Congress approving the price, and authorizing the expenditure of the money, after the most exhaustive examination and discussion.



SAN FRANCISCO IN FLAMES, FOLLOWING THE EARTHQUAKE OF APRIL 18, 1906
AN AREA OF FOUR SQUARE MILES DESTROYED, WITH LOSS OF 450 LIVES AND \$200,000,000 IN PROPERTY

THE SAN FRANCISCO EARTHQUAKE AND FIRE

Contemporary Account from the New York "Sun"

THIS is part of a remarkable two-page report in the New York "Sun" of April 19, 1906, of the great earthquake which overwhelmed San Francisco the day before, followed by a gigantic conflagration which lasted four days and destroyed 497 city blocks covering an area of five square miles. Some 28,188 buildings were demolished, causing approximately \$1,000,000,000 damage and the loss of about 500 lives.

That the catastrophe was not even more appalling was largely due to the prompt and efficient action of Brigadier-General Funston, coöoperating with the police, and acting on his own initiative, in placing the city under martial law and posting United States troops throughout the danger zones.

The reconstruction of San Francisco was accomplished with astonishing rapidity. Within three years 20,000 new fire-proof buildings had been erected, and from the ashes of 1906 there has arisen another and more impressive metropolis.

a fire started in seven or eight places, helped out by broken gas mains. The water system failed, and all

THE greatest earthquake disaster in the history of the United States visited San Francisco early yesterday morning. A great part of the business and tenement district was shaken down, and this was followed by a fire which is still burning and which has covered most of the affected area. . . .

. . . Happening at 5 o'clock in the morning, the earthquake caused practically no loss of life among the business houses, but the tenement houses, especially the cheap lodging houses, suffered severely in this respect. Directly afterward

through the morning the fire was fought with dynamite. . . .

. . . Almost all the greater buildings of San Francisco are lost. These include the City Hall, the new Post Office, the "Call" Building, twenty stories high; the Parrott Building, housing the largest department store in the West; the "Chronicle" and "Examiner" buildings, Stanford University at Palo Alto, the Grand Opera House and St. Ignatius's Church.

Oakland, Cal., April 18.—The great shock which did the damage happened at 5:15 o'clock this morning, just about daybreak. Beginning with a slight tremor, it increased in violence every moment. Before it was over, the smaller and older buildings in the business districts had fallen like houses of cards, the great steel buildings were mainly skinned of walls, and the tenement district, south of Market, was in ruins. . . .

Hardly were the people of the hill district out of their houses when the dawn of the east was lit up in a dozen places by fires which had started in the business district below. The first of these came with a sheet of flame which burst out somewhere in the warehouse district near the waterfront. Men from all over the upper part of town streamed down the hills to help. No cars could run, for the cable car slots and the very tracks were bent and tossed with the upheavals of the ground.

The fire department responded. . . . The firemen, making for the nearest points, got their hose out.

There was one rush of water; then the flow stopped. The great water main, which carries the chief water supply of San Francisco, ran through the ruined district. It had been broken and the useless water was spurting up through the ruins in scores of places.

The firemen stood helpless, while fire after fire started in the ruined houses. Most of these seem to have been caused by the ignition of gas from the gas mains, which were also broken. The fires would rush up with astonishing suddenness, and then smoulder in the slowly burning redwood, of which three-quarters of San Francisco is built. When day came the smoke hung over all the business part of the city. Farther out fires were going in the Hayes Valley, a middle class residence district, and in the old Mission part of the city. Dynamite was the only thing. . . .

. . . Chief of Police Dinan got out the whole police force, and General Funston, acting on his own initiative, ordered out all the available troops in the Presidio military reservation. After a short conference the town was placed under martial law, a guard was thrown about the fire, and all the dynamite in the city was commandeered.

The day broke beautifully clear. The wind, which usually blows steadily from the west at this time of year, took a sudden veer and came steadily from the east, sending the fire, which lay in the wholesale district along the waterfront, toward the heart of the city, where stood the modern steel structure buildings, mainly stripped of their cement shells. . . .

Meantime there had been a second and lighter shock at 8 o'clock which had shaken down some walls already tottering and taken the heart out of many of the people who had hoped that the one shock would end it. . . .

There was an overpowering smell of gas everywhere from the broken mains. Now and again these would catch fire, making a great spurt of fire, which would catch in the debris. The first concern of the firemen was to stop these leakages. They piled on them bags of sand, dirt clods, even bales of cloth torn from the wreckage of burning stores. In the middle of the morning, however, there came a report from the south louder and duller than the reports of the dynamite explosions. There followed a burst of flame against the dull smoke. The gas works had blown up and the tanks were burning. After that the gas leaks stopped. . . .

It seemed to be two or three minutes after the great shock was over before people found their voices. There followed the screaming of women, beside themselves with terror, and the cries of men. With one impulse people made for the parks, as far as possible from the falling walls. These speedily became packed with people in their nightclothes, who screamed and moaned at the little shocks which followed every few minutes. The dawn was just breaking. The gas and electric mains were gone and the street lamps were all out. But before the dawn was white there came

a light from the east—the burning warehouse district. . . .

On Portsmouth Square the panic was beyond description. This, the old Plaza about which the early city was built, is bordered now by Chinatown, by the Italian district, and by the "Barbary Coast," a lower tenderloin. A spur of the quake ran up the hill upon which Chinatown is situated and shook down part of the crazy little buildings on the southern edge. . . . The rush to Portsmouth Square went on almost unchecked by the police, who were more in demand elsewhere.

The denizens came out of their underground burrows like rats and tumbled into the square, beating such gongs and playing such noise instruments as they had snatched up. . . . They were met on the other side by the refugees of the Italian quarter. The panic became a madness. At least two Chinamen were taken to the morgue dead of knife wounds, given for no other reason, it seems, than the madness of panic. There are 10,000 Chinese in the quarter and there are thousands of Italians, Spaniards and Mexicans on the other side. It seemed as though every one of these, with the riffraff of "Barbary Coast," made for that one block of open land. The two uncontrolled streams met in the center of the square and piled up on the edges. There they fought all the morning, until the Regulars restored order with their bayonets. . . .

THE PANIC OF 1907

By *Alexander D. Noyes*

IN HIS authoritative "Forty Years of American Finance," the Wall Street historian, *Alexander D. Noyes*, thus reviews the financial crisis of 1907, known as the "rich man's panic" and the "panic of undigested securities." It is given here by permission of *G. P. Putnam's Sons*.

Under the protection of high tariffs, enacted as adjuncts to the *McKinley Bill*, had come the wholesale organization of "trusts," 225 of which were conjured into existence between 1899 and 1903. Following an era of prosperity, the life insurance scandals and other damaging investigations tended to discredit business methods in vogue. 1906 marked the peak of prosperity. Then the *Roosevelt administration* began prosecuting corporations spectacularly, and this combined with over-speculation and other causes to create general uneasiness and a money stringency which resulted in the panic here described. Thanks to the prompt aid the *Federal Treasury* gave the banks, the number of failures was surprisingly small.

ism subjected to it. But there were other reasons why the idea of an American commercial crisis in 1907

IT had for many years been a cardinal doctrine, in American banking circles, that a panic like those of 1873 and 1893 would never again be witnessed in this country. The ground for this belief lay in the phenomenal increase of our economic strength, the "co-ordination of American industry" since 1899, the establishment of the gold standard of currency, and, more particularly, the great and concentrated resources of our banks. We have discovered the weak point of this argument; the strain imposed on credit had as greatly exceeded precedent as did the strength of the organ-

had not been entertained. One was the fact that predictions of the sort, in 1901 and 1903, had failed so signally of fulfilment. Another was prevalent belief in the "twenty-year cycle" between two great panics. . . .

Even if not prepared, however, for another panic of the sort, the community found itself, as 1907 drew on, in a thickening atmosphere of apprehension. In June, an \$8,000,000 iron-manufacturing house went down at New York City; in midsummer, two New York City loans, offered for public subscription, failed to find a market; in the early autumn, the \$52,000,-000 New York street railway combination went into receivers' hands, followed, a few weeks later, by the \$34,000,000 Westinghouse Electric Company; early in October, the storm broke with the utmost suddenness and violence on the New York banks.

One of the characteristic incidents of the era of speculation, watched by conservative financiers with much uneasiness, had been what was called "chain banking." In New York City half a dozen banking institutions of the second rank had been bought up by a speculating financier. He had used his stock in one institution as collateral on which to borrow money; the proceeds he had used to buy stock in another bank, repeating the process with each new acquisition. Controlling his "chain of banks" on such a tenure, he had utilized the whole of them to promote his personal speculations. This had been going on during half a dozen years. On Wednesday, October

16, 1907, one of these institutions, the Mercantile National, of New York City, a bank with \$11,500,000 deposits, applied to the other banks of the Clearing-House for help.

While the Clearing-House committee was investigating the Mercantile condition, financial uneasiness began to spread to the community at large. On Thursday, the committee announced that the crippled bank would be helped through, and an interval of relief occurred. Other events, however, which occurred at the same time, and the demand of the Clearing-House banks that, as a condition for their assistance, all the directors of the Mercantile should resign, disclosed the fact that the bank's predicament had occurred through misuse of its capital, by its president, in copper share speculation. During the two or three ensuing days, bankers were very generally employed in overhauling accounts of other institutions with which they had engagements. Late Monday afternoon, October 21st, the National Bank of Commerce suddenly announced that it would no longer accept for collection checks of the Knickerbocker Trust Company. With the next day's opening, a run began on that institution, a concern with 17,000 depositors and total deposit liabilities of \$35,000,000. By noon the Knickerbocker had closed its doors; next day, nearly every trust company in the city was besieged by a line of panic-stricken depositors. Nothing like this had been seen in New York City since 1873; even in 1884 and 1893, the New York bank runs were confined

to one or two crippled institutions. The extraordinary phenomena which followed the Knickerbocker failure can not be understood except by a glance at the nature and history of the institutions on which the panic of 1907 now converged. . . .

The Knickerbocker closed its doors on October 22d; that night, certain other trust companies sought aid from the banks to safeguard them against a run. Knowledge of this conference, reported next morning in the daily papers, brought the run at once; and long before business opened on October 23d, lines of depositors had formed outside the doors of other companies. The Knickerbocker had catered especially to the so-called "up-town clientage" of the shopping and residence district; its main competitor in this line of business had been the Lincoln Trust Company, with something like 8,000 depositors and demand deposits of \$16,000,000. On Broadway and Wall Street, the Trust Company of America had accumulated \$42,000,000 demand deposits from 12,000 separate depositors. Against these demand liabilities the Lincoln had been keeping \$1,100,000 in its cash reserve and the America \$3,200,000.

On these two institutions there now converged such a run as was probably never witnessed in the history of banking. It must be remembered that banks and other trust companies, to whom the beleaguered institutions were indebted, or with whom checks on the Lincoln or America were deposited, had no other way of collecting than by stationing messengers in the line

of frightened depositors; this was the punishment for the events of 1903.

Recognizing the gravity of the crisis, the Secretary of the Treasury, Mr. Cortelyou, came on at once from Washington, and arranged to deposit \$35,000,000 of the Government surplus with the national banks, by whom it was hurriedly advanced to the trust companies against their liquid assets. This great sum was almost instantly engulfed in the withdrawals by depositors; the Trust Company of America alone had to pay out \$34,000,000 to depositors. The runs continued fourteen successive days, depositors holding their places in line by night to get a chance to withdraw their funds next day. Ten million dollars cash provided by other institutions went with the rest; the run was not stopped until, on November 6th, the older trust companies had organized in committee to assume responsibility for the two hard-pressed institutions. In the meantime, during the panic week itself, six banks in Greater New York, and three trust companies other than the Knickerbocker—mostly small institutions, but with deposits aggregating \$57,000,000—closed their doors, and a general run upon the savings-banks caused application of the sixty-day notice rule for withdrawal of deposits.

On Thursday, October 24th, panic swept over the Stock Exchange. The bank position being then in its most critical phase, restriction of credit occurred on a scale which, if continued, would probably have reduced the Stock Exchange community to general

insolvency. This day of suspense—an unvarying incident of formidable credit panics—brought the rate for Stock Exchange demand loans up to 125 per cent.; before the day was over, however, personal intervention of the president of the Stock Exchange and of J. P. Morgan with the banks caused release of \$25,000,000 which, in accordance with sound rule, was loaned out at high rates, but in such manner as to meet pressing exigencies. This averted the formidable aspect of the crisis which, in 1873, made necessary the closing of the Stock Exchange and which in 1907 forced the governments of several Western States to decree a series of special holidays.

The crisis of the banks, however, had only begun, and it followed the lines made familiar by all former crises. The New York City national banks alone held in 1907 no less than \$470,000,000 deposits due to other institutions; considerably more than double what had been thus held in 1893. Banks of interior cities, most of which had three-fifths of their 15 per cent. reserve thus deposited in other hands, took natural alarm at the panic news, remembered 1893, and called for return of part of these deposits. What followed, merely repeated history—a history, however, which the country had been assured could never be repeated. The New York banks, on Saturday, October 26th, determined to take out Clearing-House loan certificates. The intent of this expedient, never adopted since the panic of 1893, was to help out hard-pressed banks through loan of the cash resources

of their neighbors; but its result, in 1907, as in 1893, was to bring about general suspension of cash payments in the Clearing-House. Before the panic of 1907 was over the New York banks had \$88,420,000 of such loan certificates in use, as against a maximum of \$38,280,000 in the panic of 1893, and the loan certificates remained in use during twenty-two weeks, as against only nineteen weeks' duration in the earlier panic.

Two days after New York had set the example, practically every clearing-house in the country took similar action—a wholly unprecedented event, which resulted in issue, throughout the whole United States, of \$238,000,000 of such certificates, as against \$69,000,000 during 1893. Notwithstanding this recourse, reserves of the New York banks, which had stood at a surplus of \$11,182,000 in the week before the panic, fell to a deficit of \$54,103,000 on November 3d, very much the largest shortage of the kind in our banking history, the maximum deficit of 1893 having been \$16,545,000.

This formidable shrinkage was occasioned by an actual loss of \$51,000,000 cash in the five intervening weeks, and the position thus created brought suddenly into view two other phenomena of 1893. Hoarding of cash by individuals set in; it was estimated in high quarters that, in the country as a whole, no less a sum than \$296,000,000 actually disappeared from sight. This hoarding partly caused, and was partly caused by, the policy of banks in limiting the amount of cash

which they would pay out to depositors, and one immediate result of such restriction being the issue of emergency currency by the banks of cities like Pittsburgh and Chicago, where manufacturers' pay-rolls created urgent need for great sums of currency. The amount of such makeshift money has been estimated at upward of \$96,000,000. The next result of the bank restriction was a premium on currency, paid in checks on such institutions, which rose to 4 per cent. and which continued for two months, as against only one month's duration in the panic of 1893. . . .

There were left the larger after-effects, of which the panic itself was only a premonitory symptom, and which came only gradually into sight, along with assertions that they would not come at all, on this occasion as on others of the kind. The panic of 1907 was unlike the panic of 1893, which followed a period of uncertainty and misgiving, leading to acquiescence, on the part of the community at large, in the certainty of prolonged reaction and depression. It resembled far more intimately the panic of 1873, which came, like the traditional "bolt from the blue," on a situation presenting so brilliant an aspect of assured prosperity that the people—most of all the great capitalists whose schemes had come to earth—refused for many months to admit that one chapter in finance and industry had ended and that another and different one was opening.

The visible sequel to the panic of 1907 was necessarily recognized. That commercial failures in the

United States should not only have increased, in the panic months of November and December, 30 per cent. in number as compared with 1906, and 125 per cent. in liabilities, but that the first nine months of 1908 should have shown increase of 55 per cent. over 1907 in number, and 120 per cent. in liabilities, was a matter of record. So was the shrinkage in the iron trade, in December, 1907, to 36 per cent. of normal, and the 50 per cent. reduction in iron production during the first half of 1908; the decrease, for the full year 1908, of \$290,000,000, or $11\frac{5}{8}$ per cent., in traffic receipts of American railways; the shrinkage of nearly 17 per cent. in checks drawn on American banks; the reduction in March, 1908, of 25 per cent. in output, 10 per cent. in wages, and 25 to 50 per cent. in prices in the textile trade, and the great increase in number of unemployed.

THE HUMAN SIDE OF PANAMA CANAL BUILDING

By George W. Goethals, U. S. A.

GENERAL GOETHALS. Who became chairman of the Panama Canal Commission in 1907, and was Governor of the Canal Zone when the great waterway was completed in 1914 (a year ahead of scheduled time), published this account in "Scribner's Magazine," 1915, from which it is taken by permission of Charles Scribner's Sons. To the great work Goethals brought an adequate knowledge of engineering with a complete knowledge of army organization and coöperation.

Elsewhere he pays tribute to the remarkable work of sanitation done by Colonel William C. Gorgas, without which pioneer work it is doubtful if the Canal could ever have been completed.

His own work at the Canal finished, Goethals was successively general manager of the Emergency Fleet Corporation, acting quartermaster-general and chief of the division of purchase, storage and traffic U. S. Army; and in 1915 received the thanks of Congress for "distinguished service in constructing the Panama Canal."

scribing them as "of magnitude and not of intricacy." On the other hand, his experience con-

THE general impression prevailed from the beginning that the building of the Panama Canal comprised one of the world's greatest engineering feats, and the tremendous scope of the work as it developed during the construction period served to mold this impression into a fixed belief; yet Mr. Stevens, who, for nearly two years had control on the Isthmus, not only of all construction, but of those various coördinate branches which were essential adjuncts to the building of the Canal, expressed the opinion that the engineering features were the least difficult, de-

vinced him that the administrative problems were the greater, presenting as they did many unusual features, involving an immense amount of detail and extending into every branch of business, with ramifications touching many phases of social and domestic economy.

In every undertaking of an engineering character there must necessarily be a greater or less amount of administrative detail resulting from problems of supply, labor, policy, and considerations arising out of them. In the case of the Panama Canal, not only were these problems present, but, as compared with those of engineering, they made the latter appear relatively small.

The very magnitude of the work imposed difficulties which would have existed even had it been undertaken in any portion of the United States, but these difficulties were increased materially by reason of having to carry on the work in a tropical country, sparsely populated, non-productive, affording no skilled and very little efficient common labor, with customs and modes of living as different as the civilizations of North and Central America have been since the settlement of these portions of the western hemisphere, with a heavy rainfall during the greater portion of the year, and with a reputation for unhealthfulness which placed Panama in the category of one of the worst pest-holes of the earth. . . .

The forces of the United States were fortunate . . . for before the transfer of the work to them

preventive medicine had made such advances as to make possible the conversion of the pest-hole into a habitat where most white men could live and work. The diseases which sapped the energy and vitality of the men and struck terror to their souls were malaria and yellow fever. The cause of the former had been discovered by Sir Ronald Ross, of the British army, who formulated rules by which an infected locality could be rid of its influences. Not only were his theory and practices known, but we had the benefit of his advice and experience, for he visited the Isthmus on invitation of the commission at the instigation of the health authorities in order that we might have his assistance. After Sir Ronald Ross's discovery, Doctors Reed, Lazear, and Carroll, in Cuba, with Aristides Agramonte, a Cuban immune, proved the correctness of the theory advanced by Doctor Carlos Finlay, of Havana, that yellow fever was transmitted only by the mosquito, and prescribed the methods that resulted in ridding Cuba of that dread disease; it naturally followed that the Isthmus could be freed in the same way. Finally, great advances had been made in construction machinery of all kinds, making the equipment used by the French obsolete, though this was continued in use by the Americans until it could be replaced by the more modern and up-to-date appliances that experience had shown would accomplish the results.

Because of the reputation of Panama, difficulty was experienced in securing the necessary skilled and

unskilled labor, but systems of recruiting had been worked out and were in satisfactory operation in 1907, when the force aggregated about 5,500 "gold" employees and 24,000 "silver," or common, laborers. Notwithstanding the fact that at this time the Isthmus had been freed from yellow fever, the dread of the tropics was still extant, making it difficult to secure American workmen.

The assembled force had to be housed and fed. Many houses were acquired from the French, but not sufficient for the needs, nor were they always accessible to the work in progress. Extensive building operations were undertaken, including the erection of offices, storehouses of various kinds, quarters, hotels, messes, kitchens, hospitals, and schools. (The arbitrary nomenclature that became current on the Isthmus is of interest. The terms "gold" and "silver," the former designating the high-grade employee, usually American, and the latter the lower grades, usually West Indian or European, are well known. . . .

New settlements were located and constructed with a view of accessibility to the work. The terminal cities of Panama and Colon were without pavements, sewers, or running water, and under the treaty these were to be provided by the United States, reimbursement to be accomplished at the end of the fifty-year period. This work was in progress as well as similar improvements in the various settlements that were building or completed. Machine-shops were rehabilitated or added to, and new ones constructed for as-

sembling the machinery purchased in the United States, for manufacturing parts in order to avoid the delay incident to securing them from the manufacturers, and for making repairs.

The commissary of the Panama Railroad was enlarged and an adequate cold-storage plant for the proper care of meats and the manufacture of ice was in course of construction; local commissaries were established at the various settlements; and a system of supply was in operation between the main commissary and those at the different localities, as well as with the hotels, messes, and kitchens.

Probably the most difficult problem was the feeding of the force. Boarding-houses and restaurants thrived, but not so the men, and the stories told, exaggerated no doubt with the passage of time, are of conditions which, to say the least, were decidedly unpleasant. A local contract was made for running a hotel at Culebra, and the subsistence privilege for the entire force was advertised and bids were received.

Thought and attention were given to the storage and distribution of construction supplies. A system was instituted for shipping material and equipment direct from the dock to the places where needed, preventing congestion and saving double handling. A large storehouse was erected for reserve supplies of all kinds that might be needed and without which delays to the work would result. The great distance from the source of production and supply, and the

necessity for keeping the work going, made the supply of material a very important feature.

The Panama Railroad, constructed in 1850-5 by Americans with American capital, constituted a part of one of the through routes between the east and west; its commercial interests had to be continued, and, in addition, it must assist in the construction of the Canal. The roadbed, equipment, and facilities were scarcely adequate for the former alone, and, with the immense quantities of supplies required for the Canal, they became totally inadequate. The road was double-tracked and rebuilt to suit the heavier equipment that had been ordered, round-houses were constructed, docks erected, and yards built at the terminals and at various places along the line for the handling of freight of all kinds and spoil from the Canal.

All of these various branches of the work came directly under the control of the chief engineer; and it was necessary to co-ordinate them with the construction of the Canal. Under these circumstances, it can readily be seen that Mr. Stevens's conclusions, that the administrative problems were greater than those of engineering, were correct. . . .

One of the departments on the Isthmus not yet touched upon, and a very important one, was that of government. Under the treaty, the United States obtained from Panama the control and jurisdiction of a strip of land across the Isthmus ten miles wide, five miles on either side of the center line of the Canal to be constructed, so that there were required, as soon as

the transfer of the strip was effected, a code of laws, a fiscal system, and the other machinery necessary for the establishment of a form of government. While the Spooner Act gave the President authority to make such regulations and establish such tribunals as might be required to exercise the control under the treaty, Congress, by specific enactment, delegated to the President the exercise of civic, judicial, and military functions in the Zone, to be exercised through such person or persons as he might determine, but such delegation of authority was to cease with the expiration of the Fifty-eighth Congress (March 4, 1905). The President exercised this authority through the Isthmian Canal Commission, which became the legislative body, announced that the laws of the land would continue in force until changed by competent authority, and appointed a member of the commission as governor of the Canal Zone—Major-General George W. Davis, U. S. A., who brought to the task valuable experience gained in Porto Rico and the Philippine Islands. At that time the Zone was divided into municipalities, each with its mayor, secretary, treasurer, and municipal council, so that a political organization was established for the government of the strip, but without the elective franchise. Laws were prescribed, courts established, police, fire force, postal system, customs service, and schools were organized as the needs of the situation demanded. This department also had charge of all questions that arose between the Republic of Panama and the Canal Zone.

The governor was given the power of reprieve, pardon, and deportation. The Fifty-eighth Congress adjourned without legislating for the Canal or continuing the authority it had vested in the President, so that the commission lost its legislative functions. A *de facto* government had been established, however; the work had to proceed; new conditions as they arose had to be met; so that President Roosevelt continued the government but legislated through the medium of Executive Orders. . . .

The engineering side of the enterprise was necessarily of very great importance, for the success of the undertaking was dependent upon the proper solutions of the problems involved, both theoretically and practically. The construction of the locks presented no new problems, though some novel features were introduced in the operating machinery for the locks and spillways; neither did the dams, dredging, or dry excavation; the methods adopted had been in use elsewhere. The difficulties were due to size and were sufficiently great in themselves; there is no desire or intent to detract from them or to belittle their importance. There were also questions concerning the plans of the Canal and methods of construction that required administrative action, and to these were added the problems or questions which arose in all the other departments and divisions, so that on the whole the administrative side of the work, including the co-ordination of its various parts, was the greater. This is more especially true if there be embraced

under administration, where it properly belongs, the problem caused by the "human element."

In any line of endeavor this is always the uncertain factor. It can be told with a great degree of accuracy what a particular piece of machinery will do under specified conditions, or, knowing a man, what that man will do under normal circumstances, but take 40,000 men gathered from all parts of the world, place them in a tropical country, many miles from home and away from the ties and associations which have more or less guided and restrained them, and the "human element" straightway becomes a problem heavily charged with uncertainties and difficulties. I have been asked frequently what part of the work I considered the most difficult, and the reply was, invariably, the human problem; it extended from the highest to the lowest.

That contentment leads to efficiency was fully recognized at the beginning of the enterprise, and had resulted in the adoption of a broad, generous, and what seemed to me a very wise policy in regard to the force. Steps were taken to provide comfortable quarters, the men were encouraged to bring their families to the Isthmus when the quarters available permitted, and, as an additional inducement, reduced rates of transportation on Panama Railroad steamers were established, sufficient only to pay subsistence and service. The necessary furniture for the quarters was provided at the expense of the commission, with the exception of linen, table and kitchen ware, which

could be brought from the United States at reduced freight rates or purchased from the commissary at practically cost price. About one-third of our "gold" employees were married men occupying family quarters. Taking into consideration the plant expenditure, water, fuel, light, medical attendance, and other privileges which were granted free, it was estimated that the families cost us \$40 and the bachelors \$14 per month. This was only a rough calculation, but the ratio of cost as between the married employee and the bachelor which it gives is no doubt nearly correct, and affords an idea of the large expense that was incurred in making our settlements semi-permanent communities rather than mere construction camps. The size of the job, the length of time required for its execution, and the results attained in increased efficiency and stability of the force fully justified the cost. Furthermore, the presence of women was necessary, not only for their influence in their respective home lives, but, in a larger way, for their influence on the social fabric as a whole. I do not believe, as has been claimed by some, that a body of American men would, during a few years, become absolute savages if left without the influence of good women, but I do believe, for so experience has shown, that there would be a marked social and moral deterioration. . . .

Ministers of various denominations were employed by the commission, and suitable buildings erected in the settlements for religious services and Sunday-schools. These buildings were of two

stories; the lower was used for church purposes and assigned to the different denominations by the district quartermaster, while the upper stories were lodge halls assigned to the use of different lodges, also by the district quartermaster.

The policy outlined was not confined to American, or "gold," employees, but was extended so far as possible to the so-called "silver" class, though some discrimination was made because the latter were not so thoroughly among strangers as the whites and their needs, consequently their demands, were fewer.

They found that everything was determined in accordance with the rules of the commission and their interpretation; that their status as to the selection of quarters, as well as other privileges, was determined by the wage they earned, so that money became rather the dominant factor in determining a man's position, and necessarily his family's, in the community in which he lived, causing rivalries, with attendant jealousies and heart-burnings.

The efforts to make the Zone a more comfortable and attractive place in which to live, and thus secure greater stability of the force, were not entirely successful. After the Isthmus had been put in a healthful condition and the danger of a yellow-fever or other epidemic had been entirely eliminated, there was a constant stream of employees leaving the Isthmus, compelling the employment of other men to take their places. In the year 1907, for instance, referring to the "gold" force, 5,804 men were employed and there

were 4,367 separations from the service for all causes; or, stating the matter another way, in order to increase the force by 1,437 men during that year, it was necessary to employ four times as many.

The climate and the distance from home were not conducive to contentment; on the whole, a general clearing-house became an important factor in the common desire to secure harmony, and the "Sunday court," which seems to have attracted attention, was established more for this purpose than with the idea of meting out justice. All employees, irrespective of color, were accorded a hearing; but soon the demand on available time became so great that I was obliged to have the assistance of Mr. McIlvaine, chief clerk of my office, and Mr. May, my secretary, confining my attention to the "gold" employees and those negroes whose cases could be settled by no one else.

The quarters question gave the greatest trouble, and the difficulties increased when, in 1908, family quarters were no longer promised. The houses acquired from the French were of various sizes and types, and the new buildings erected were built in accordance with type plans that had been adopted. Trouble arose from the fact that certain employees had a greater amount of room than others doing the same class of work. Mr. Jackson Smith evolved the method of determining the assignment of quarters on the basis of the wage earned. Rules were formulated governing their assignment and occupation which, while they worked hardships in certain individual

cases, covered the situation very satisfactorily on the whole, notwithstanding that bickerings and grumblings continued. Early in my career on the Isthmus I made an exception to the rules in a case which appealed to the sympathies—contrary to the recommendation of Mr. Smith, who predicted trouble—and I learned to regret it. Since then the rules governing quarters have been like the laws of the Medes and Persians.

The large majority of the quarters were of the four-family type, two families below and two above, those on each floor separated by vertical partitions. With the floors and partitions of single planks, with sounds penetrating to all parts of the building, with water flowing through from the floors above on the neighbors below, with Mrs. Jones's company disturbing Mr. Smith's sleep (he being on night work), or the latter's children mistreating or abusing the former's, these quarters became prolific sources of trouble and complaint.

The furniture allotments gave trouble, for, though rules were formulated prescribing the allowance of furniture, it is certain that additional pieces were given to some employees and denied others. It was alleged that favoritism was shown by the local quartermasters, and the situation became so acute that an allowance was fixed for the various types of quarters, inspections were made, and furniture removed or added as the particular case might require. Similarly, stringent regulations had to be adopted governing the

number of electric lights and the use of electrical appliances, such as irons, toasters, etc., because of the complaints of special privileges enjoyed by others. There was a letter written by a woman in Gorgona complaining that her neighbor had two oil student-lamps while she had only electric lights. Oil-lamps were in use prior to the installation of the electric plants, and these two had not been collected when electricity was substituted. The pay of this woman's husband was greater than the pay received by the possessor of the student-lamps, therefore there was favoritism and discrimination.

Though it was necessary for us to have the women, and their influence has been beneficent and of great value to the work, it is a fact that their presence introduced many new perplexities. That Mrs. Jones had a more desirable house than Mrs. Smith, or that Mrs. Smith had three mission rockers while Mrs. Jones had only two, would not appear to any one who has not lived on the Isthmus as having much to do with the construction of a canal connecting the Atlantic and Pacific Oceans. However, one who had to listen to Mrs. Jones or Mrs. Smith as they narrated their grievances at length and with insistent demand for immediate redress might be forced to conclude that these matters were of vital importance. And they were of importance. If Mrs. Smith were dissatisfied, Mr. Smith was apt to be dissatisfied also, with a consequent loss of interest in his work and lack of efficiency; and if these little grievances and dissatisfac-

tions had been allowed to smolder they would have spread and become general throughout the force, seriously affecting the whole human machine. In building the Canal it was just as necessary to see that Mrs. Smith had a good stove, that her commissaries were delivered promptly, and that, in general, she received all the rights and privileges to which she was entitled, as it was to decide the location of the Pacific flight of locks—and the former was the more difficult task of the two.

Next to the questions of quarters and furniture, the wage scale was the source of more complaint than anything else. A table prepared by direction of Mr. Shonts in 1906, comparing the wages paid in the various trades with the average wages paid in the United States in similar employments, showed that the increases were not uniform in amounts. The same was true also in regard to positions not belonging to the trades. Under the organization in effect prior to January 8, 1908, the heads of departments were largely responsible for the wages in their respective departments, and men were induced to transfer from one to another on promise of an increase, which not only caused dissatisfaction but tended to disrupt the organization. Much thought was given to the wages for the trades; and while some minor changes were made where increases were possible, on the whole the wage scale was maintained, for to have decreased the pay of any craft would have caused trouble. It was deemed better policy to bear with the complaints and

hold the wages undisturbed until the end of the construction period.

So far as the salaries attaching to other positions were concerned, a uniform wage scale was established on January 1, 1910; an attempt was made at that time to fix the pay to conform to the position and the responsibilities attached to it. Under a resolution of the commission dated September 5, 1904, officers of the army, navy, and Marine Hospital corps, while serving on duty with the commission, were to receive an increase of fifty per cent of their service pay. This was not fair to the civilians and was resented. Effective September 15, 1908, I had this resolution revoked, and officers from the various services received the pay attached to the positions filled by them; if this were greater than the service pay the incumbents received the difference, otherwise they served without extra compensation. When the law for the permanent organization was under consideration this question of the unbalanced wage scale was discussed with the committees of Congress. I believed that service on the Isthmus merited an increase over the pay for similar employment in the United States, suggested that provision be made for this, and the law provided for an increase of twenty-five per cent. . . .

PEARY DISCOVERS THE NORTH POLE

His Own Account

COMMANDER ROBERT E. PEARY, the first human being of authentic record to reach the North Pole, attained that goal of his life-long ambition April 6, 1909, as told in his "The North Pole: Its Discovery," from which this account is taken, by permission of Frederick A. Stokes Company. Temporarily the glory of his achievement was threatened by the claim of Dr. Frederick A. Cook to have reached the Pole on April 21, 1908. The civilized world was still huzzzaing Cook on September 6, 1909, when the first news came from Peary that he had succeeded in reaching the Pole. Cook has been discredited.

This was Peary's eighth "dash" into the arctic wilderness. It was made in the steamer "Roosevelt," which sailed from a Maine port in August, 1908, with a company of 66 men and 140 dogs. Thirty hours were spent at the Pole. In 1911, by special act, Peary received the thanks of Congress and was made a rear-admiral.

fluous fat; and, by reason of the care which I had taken of them up to this point, they were all in good spirits, like the men. The sledges, which were being

WE were now one hundred and thirty-three nautical miles from the Pole. Pacing back and forth in the lee of the pressure ridge near which our igloos were built, I made out my program. Every nerve must be strained to make five marches of at least twenty-five miles each, crowding these marches in such a way as to bring us to the end of the fifth march by noon, to permit an immediate latitude observation. . . .

As to the dogs, most of them were powerful males, as hard as iron, in good condition; but without an ounce of super-

repaired that day, were also in good condition. My food and fuel supplies were ample for forty days, and by the gradual utilization of the dogs themselves for reserve food, might be made to last for fifty days if it came to a pinch. . . .

A little after midnight, on the morning of April 2 [1909], after a few hours of sound, warm and refreshing sleep, and a hearty breakfast, I started to lift the trail to the north, leaving the others to pack, hitch up, and follow. As I climbed the pressure ridge back of our igloo, I took up another hole in my belt, the third since I left the land—thirty-two days before. . . .

As we had traveled on, the moon had circled round and round the heavens opposite the sun, a disk of silver opposite a disk of gold. Looking at its pallid and spectral face, from which the brighter light of the sun had stolen the color, it seemed hard to realize that its presence there had power to stir the great ice-fields around us with restlessness—power even now, when we were so near our goal, to interrupt our pathway with an impassable lead. . . .

When we awoke early in the morning of April 3, after a few hours' sleep, we found the weather still clear and calm. . . .

Some gigantic rafters were seen during this march, but they were not in our path. All day long we had heard the ice grinding and groaning on all sides of us, but no motion was visible to our eyes. Either the ice was slacking back into equilibrium, sagging north-

ward after its release from the wind pressure, or else it was feeling the influence of the spring tides of the full moon. On, on we pushed, and I am not ashamed to confess that my pulse beat high, for the breath of success seemed already in my nostrils. . . .

I had not dared to hope for such progress as we were making. Still the biting cold would have been impossible to face by any one not fortified by an inflexible purpose. The bitter wind burned our faces so that they cracked, and long after we got into camp each day they pained us so that we could hardly go to sleep. The Eskimos complained much, and at every camp fixed their fur clothing about their faces, waists, knees, and wrists. They also complained of their noses, which I had never known them to do before. The air was as keen and bitter as frozen steel.

At the next camp I had another of the dogs killed. It was now exactly six weeks since we left the "Roosevelt," and I felt as if the goal were in sight. . . .

At our camp on the fifth of April I gave the party a little more sleep than at the previous ones, as we were all pretty well played out and in need of rest. I took a latitude sight, and this indicated our position to be $89^{\circ} 25'$, or thirty-five miles from the Pole; but I determined to make the next camp for a noon observation, if the sun should be visible. . . .

The last march northward ended at ten o'clock on the forenoon of April 6. I had now made the five marches planned from the point at which Bartlett turned back, and my reckoning showed that we were

in the immediate neighborhood of the goal of all our striving. After the usual arrangements for going into camp, at approximate local noon, of the Columbia meridian, I made the first observation at our polar camp. It indicated our position as $89^{\circ} 57'$.

We were now at the end of the last long march of the upward journey. Yet with the Pole actually in sight I was too weary to take the last few steps. The accumulated weariness of all those days and nights of forced marches and insufficient sleep, constant peril and anxiety, seemed to roll across me all at once. I was actually too exhausted to realize at the moment that my life's purpose had been achieved. As soon as our igloos had been completed and we had eaten our dinner and double-rationed the dogs, I turned in for a few hours of absolutely necessary sleep. But, weary though I was, I could not sleep long. It was, therefore, only a few hours later when I woke. The first thing I did after awaking was to write these words in my diary:

"The Pole at last. The prize of three centuries. My dream and goal for twenty years. Mine at last! I can not bring myself to realize it. It seems all so simple and commonplace."

Everything was in readiness for an observation at 6 p. m., Columbia meridian time, in case the sky should be clear, but at that hour it was, unfortunately, still overcast. But as there were indications that it would clear before long, two of the Eskimos and myself made ready a light sledge carrying only the instru-

ments, a tin of pemmican, and one or two skins; and drawn by a double team of dogs, we pushed on for an estimated distance of ten miles. While we traveled, the sky cleared, and at the end of the journey I was able to get a satisfactory series of observations at Columbia meridian midnight. These observations indicated that our position was then beyond the Pole.

Nearly everything in the circumstances which then surrounded us seemed too strange to be thoroughly realized; but one of the strangest of those circumstances seemed to me to be the fact that, in a march of only a few hours, I had passed from the western to the eastern hemisphere and had verified my position at the summit of the world. It was hard to realize that, in the first miles of this brief march, we had been traveling due north, while, on the last few miles of the same march, we had been traveling south, although we had all the time been traveling precisely in the same direction. It would be difficult to imagine a better illustration of the fact that most things are relative. Again, please consider the uncommon circumstance that, in order to return to our camp, it now became necessary to turn and go north again for a few miles and then to go directly south, all the time traveling in the same direction.

As we passed back along that trail which none had ever seen before or would ever see again, certain reflections intruded themselves which, I think, may fairly be called unique. East, west, and north had disappeared for us. Only one direction remained, and

that was south. Every breeze which could possibly blow upon us, no matter from what point of the horizon, must be a south wind. Where we were, one day and one night constituted a year, a hundred such days and nights constituted a century. Had we stood in that spot during the six months of the Arctic winter night, we should have seen every star of the northern hemisphere circling the sky at the same distance from the horizon, with Polaris (the North Star) practically in the zenith.

All during our march back to camp the sun was swinging around in its ever-moving circle. At six o'clock on the morning of April 7, having again arrived at Camp Jesup, I took another series of observations. These indicated our position as being four or five miles from the Pole, toward Behring Strait. Therefore, with a double team of dogs and a light sledge, I traveled directly toward the sun an estimated distance of eight miles. Again I returned to the camp in time for a final and completely satisfactory series of observations on April 7 at noon, Columbia meridian time. These observations gave results essentially the same as those made at the same spot twenty-four hours before.

I had now taken in all thirteen single, or six and one-half double, altitudes of the sun, at two different stations, in three different directions, at four different times. All were under satisfactory conditions, except for the first single altitude on the sixth. The temperature during these observations had been from minus

11° Fahrenheit to minus 30° Fahrenheit, with clear sky and calm weather. . . . In traversing the ice in these various directions as I had done, I had allowed approximately ten miles for possible errors in my observations, and at some moment during these marches and countermarches, I had passed over or very near the point where north and south and east and west blend into one.

Of course there were some more or less informal ceremonies connected with our arrival at our difficult destination, but they were not of a very elaborate character. We planted five flags at the top of the world. The first one was a silk American flag which Mrs. Peary gave me fifteen years ago. That flag has done more traveling in high latitudes than any other ever made. I carried it wrapped about my body on every one of my expeditions northward after it came into my possession, and I left a fragment of it at each of my successive "farthest norths." Cape Morris K. Jesup, the northernmost point of land in the known world; Cape Thomas Hubbard, the northernmost known point of Jesup Land, west of Grant Land; Cape Columbia, the northernmost point of North American lands; and my farthest north in 1906, latitude 87° 6' in the ice of the Polar sea. By the time it actually reached the Pole, it was somewhat worn and discolored. A broad diagonal section of this ensign would now mark the farthest goal of earth—the place where I and my dusky companions stood. It was also considered appropriate to raise the colors

of the Delta Kappa Epsilon fraternity, in which I was initiated a member while an undergraduate student at Bowdoin College, the "World's Ensign of Liberty and Peace," with its red, white and blue in a field of white, the Navy League flag, and the Red Cross flag.

After I had planted the American flag in the ice, I told Henson to time the Eskimos for three rousing cheers, which they gave with the greatest enthusiasm. Thereupon, I shook hands with each member of the party—surely a sufficiently unceremonious affair to meet with the approval of the most democratic. The Eskimos were childishly delighted with our success. While, of course, they did not realize its importance fully, or its world-wide significance, they did understand that it meant the final achievement of a task upon which they had seen me engaged for many years. Then, in a space between the ice blocks of a pressure ridge, I deposited a glass bottle containing a diagonal strip of my flag and records. . . .

If it were possible for a man to arrive at 90° north latitude without being utterly exhausted, body and brain, he would doubtless enjoy a series of unique sensations and reflections. But the attainment of the Pole was the culmination of days and weeks of forced marches, physical discomfort, insufficient sleep and racking anxiety. It was a wise provision of nature that the human consciousness can grasp only such degree of intense feeling as the brain can endure, and the grim guardians of earth's remotest spot will ac-

cept no man as guest until he has been tried and tested by the severest ordeal.

Perhaps it ought not to be so, but when I knew for a certainty that we had reached the goal, there was not a thing in the world I wanted but sleep. But after I had a few hours of it, there succeeded a condition of mental exaltation which made further rest impossible. For more than a score of years that point on the earth's surface had been the object of my every effort. To its attainment my whole being, physical, mental, and moral, had been dedicated. Many times my own life and the lives of those with me had been risked. My own material and forces and those of my friends had been devoted to this object. This journey was my eighth into the Arctic wilderness. In that wilderness I had spent nearly twelve years out of the twenty-three between my thirtieth and my fifty-third year, and the intervening time spent in civilized communities during that period had been mainly occupied with preparations for returning to the wilderness. The determination to reach the Pole had become so much a part of my being that, strange as it may seem, I long ago ceased to think of myself save as an instrument for the attainment of that end. To the layman this may seem strange, but an inventor can understand it, or an artist, or any one who has devoted himself for years upon years to the service of an idea. . . .

The thirty hours at the Pole, what with my marchings and countermarchings, together with the obser-

vations and records, were pretty well crowded. I found time, however, to write to Mrs. Peary on a United States postal card which I had found on the ship during the winter. It had been my custom at various important stages of the journey northward to write such a note in order that, if anything serious happened to me, these brief communications might ultimately reach her at the hands of survivors.

In the afternoon of the 7th, after flying our flags and taking our photographs, we went into our igloos and tried to sleep a little, before starting south again. I could not sleep and my two Eskimos, Seeglo and Egingwah, who occupied the igloo with me, seemed equally restless. They turned from side to side, and when they were quiet I could tell from their uneven breathing that they were not asleep. Though they had not been specially excited the day before when I told them that we had reached the goal, yet they also seemed to be under the same exhilarating influence which made sleep impossible for me.

Finally I rose, and telling my men and the three men in the other igloo, who were equally wakeful, that we would try to make our last camp, some thirty miles to the south, before we slept, I gave orders to hitch up the dogs and be off. And about four o'clock on the afternoon of the 7th of April we turned our backs upon the camp at the North Pole. One backward glance I gave—then turned my face toward the south and toward the future.

WILSON NOMINATED FOR THE PRESIDENCY

By Joseph P. Tumulty, His Secretary

TUMULTY, from whose "Woodrow Wilson as I Know Him" this account is taken, by permission of Doubleday, Page & Company, was Wilson's secretary throughout both terms of his administration as twenty-eighth President. His long and intimate association with the "World War President" enabled him to write a most authoritative biography.

Woodrow Wilson was a native of Virginia, and a graduate of Princeton University, of which he became president in 1902. His display of executive ability there gained him the Governorship of New Jersey. At the Baltimore (National Democratic) Convention of 1912 his leading opponent for the Presidential nomination was Champ Clark, of Missouri, Speaker of the House of Representatives. Wilson was nominated at the end of a prolonged deadlock, largely because Clark was supported by Tammany Hall of New York and mainly because Bryan transferred his support to Wilson on the forty-sixth ballot. manifested than during these trying days. Only once did he show evidences of irritation. It was

A T SEA GIRT [New Jersey] we kept in close touch with our friends at Baltimore, so that after each ballot the New Jersey candidate was apprised of the result. During the trying days and nights of the Convention the only eager and anxious ones in the family group, besides myself, were Mrs. Wilson and the Wilson girls. The candidate himself indeed seemed to take only perfunctory interest in what was happening at Baltimore. He never allowed a single ballot or the changes those ballots reflected to ruffle or disturb him. Never before was the equable disposition of the man better

upon the receipt of word from Baltimore, carried through the daily press, that his manager Mr. McCombs was indulging in patronage deals to secure blocks of delegates. Upon considering this news he immediately issued a public statement saying that no one was authorized to make any offer of a Cabinet post for him and that those who had done so were acting without authority from him. This caused a flurry in the ranks of our friends in Baltimore and the statement was the subject of heated discussion between the Governor and Mr. McCombs over the telephone. Of course, I did not hear what was said at the other end of the wire, but I remember that the Governor said: "I am sorry, McCombs, but my statement must stand as I have issued it. There must be no conditions whatever attached to the nomination." And there the conversation ended. While this colloquy took place I was seated just outside of the telephone booth. When the Governor came out he told me of the talk he had had with McCombs, and that their principal discussion was the attempt by McCombs and his friends at Baltimore to exact from him a promise that in case of his nomination William Jennings Bryan should not be named for the post of Secretary of State; that a great deal in the way of delegates' votes from the Eastern States depended upon his giving this promise. The Governor then said to me: "I will not bargain for this office. It would be foolish for me at this time to decide upon a Cabinet officer, and it would be outrageous to elimi-

nate anybody from consideration now, particularly Mr. Bryan, who has rendered such fine service to the party in all seasons."

The candidacy of the New Jersey Governor gained with each ballot—only slightly, however—but he was the only candidate who showed an increased vote at each stage of the Convention proceedings. The critical period was reached on Thursday night. In the early afternoon we had received intimations from Baltimore that on that night the New York delegation would throw its support to Champ Clark, and our friends at Baltimore were afraid that if this purpose was carried out it would result in a stampede to Clark. We discussed the possibilities of the situation that night after dinner, but up to ten o'clock, when the Governor retired for the night, New York was still voting for Harmon. I left the Sea Girt cottage and went out to the newspaper men's tent to await word from Baltimore. The telegrapher in charge of the Associated Press wire was a devoted friend and admirer of the New Jersey candidate. There was no one in the tent but the telegrapher and myself. Everything was quiet. Suddenly the telegraph instrument began to register. The operator looked up from the instrument, and I could tell from his expression that something big was coming. He took his pad and quickly began to record the message. In a tone of voice that indicated its seriousness, he read to me the following message: "New York casts its seventy-six votes for Champ Clark. Great demonstration

on." And then the instrument stopped recording. It looked as if the "jig was up." Frankly, I almost collapsed at the news. I had been up for many nights and had had only a few hours' sleep. I left the tent, almost in despair, about eleven o'clock, and returned to the Sea Girt cottage, preparatory to going to my home at Avon, New Jersey. As I was leaving the cottage the Governor appeared at one of the upper windows, clad in his pajamas, and looking at me in the most serious way, said: "Tumulty, is there any news from Baltimore?" I replied: "Nothing new, Governor." When we were breakfasting together the next morning, he laughingly said to me: "You thought you could fool me last night when I asked if there was any word from Baltimore; but I could tell from the serious expression on your face that something had gone wrong." This was about the first evidence of real interest he had shown in the Baltimore proceedings.

As will be recalled, the thing that prevented Champ Clark from gathering the full benefit which would have come to him from the casting of the New York vote in his favor was a question by "Alfalfa Bill" Murray, a delegate from Oklahoma. He said: "Is this Convention going to surrender its leadership to the Tammany Tiger?" This stemmed the tide toward Mr. Clark, and changed the whole face of the Convention.

It was evident that on Friday night the deadlock stage of the Convention had been finally reached. The Wilson vote had risen to 354, and there remained

without perceptible change. It began to look as if the candidacy of the New Jersey Governor had reached its full strength. The frantic efforts of the Wilson men to win additional votes were unavailing. Indeed, Wilson's case appeared to be hopeless. On Saturday morning, McCombs telephoned Sea Girt and asked for the Governor. The Governor took up the 'phone and for a long time listened intently to what was being said at the other end. I afterward learned that McCombs had conveyed word to the Governor that the case was hopeless and that it was useless to continue the fight, and asked for instructions. Whereupon, the following conversation took place in my presence: "So, McCombs, you feel it is hopeless to make further endeavors?" When McCombs asked the Governor if he would instruct his friends to support Mr. Underwood, Mr. Wilson said: "No, that would not be fair. I ought not to try to influence my friends in behalf of another candidate. They have been mighty loyal and kind to me. Please say to them how greatly I appreciate their generous support and that they are now free to support any candidate they choose."

In the room at the time of this conversation between McCombs and the New Jersey Governor sat Mrs. Wilson and myself. When the Governor said to McCombs, "So you think it is hopeless?" great tears stood in the eyes of Mrs. Wilson, and as the Governor put down the telephone, she walked over to him and in the most tender way put her arms around

his neck, saying: "My dear Woodrow, I am sorry, indeed, that you have failed." Looking at her, with a smile that carried no evidence of the disappointment or chagrin he felt at the news he had just received, he said: "My dear, of course I am disappointed, but we must not complain. We must be sportsmen. After all, it is God's will, and I feel that a great load has been lifted from my shoulders." With a smile he remarked that this failure would make it possible for them, when his term as Governor of New Jersey was completed, to go for a vacation to the English Lake country—a region loved by them both, where they had previously spent happy summers. Turning to me, he asked for a pencil and pad and informed me that he would prepare a message of congratulation to Champ Clark, saying as he left the room: "Champ Clark will be nominated and I will give you the message in a few minutes."

I afterward learned that McCombs was about to release the delegates when Roger Sullivan, who had been informed of McCombs' message to the New Jersey Governor, rushed over to McCombs and said to him, "Damn you, don't you do that. Sit steady in the boat."

This is the true story of the occurrence so strangely distorted by Mr. McCombs in the book he left for publication after his death, wherein he would make it appear that Governor Wilson had got in a panic and tried to withdraw from the race; whereas the panic was all in the troubled breast of Mr. McCombs,

a physically frail, morally timid person, constitutionally unfit for the task of conducting such a fight as was being waged in Baltimore. More sturdy friends of Governor Wilson at the Convention were busy trying to brace up the halting manager and persuade him to continue the fight, even against the desperate odds that faced them. But for these stronger natures, among whom were old Roger Sullivan of Illinois and W. G. McAdoo, the battle would have been lost.

The message of congratulation to Champ Clark was prepared and ready to be put on the wire for transmission to him when the Baltimore Convention assembled again on Saturday, June 29, 1912. I had argued with the Governor that despite what McCombs had said to him over the 'phone on the previous day I felt that there was still a great deal of latent strength in the Wilson forces in the Convention which was ready to jump into action as soon as it appeared that Champ Clark's case was hopeless. The first ballot on Saturday gave weight to my view, for upon that ballot Wilson gained fifteen or twenty votes, which injected new hope into our forces in the Convention. From that time on Wilson steadily moved forward, and then came Bryan's resolutions, opposing any candidate who received the support of the "privilege-hunting" class, and attempting the expulsion of a certain Eastern group from the Convention. Pandemonium reigned in the Convention Hall, but the vote upon the resolutions themselves showed the temper of the delegates. This made the Clark nomination

hopeless. Bryan's rôle as an exponent of outraged public opinion and as a master of great conventions was superbly played. When he finally threw his tremendous influence to Wilson, the struggle was over. Indiana jumped to Wilson, then Illinois, and the fight was won. Wilson received the necessary two-third vote and was proclaimed the candidate.

The progressive element of the Democratic party had triumphed after a long, stubborn fight by what at first was a minority in the Convention for enlightened progressivism, with Woodrow Wilson as the standard bearer. To those like myself far away from the Convention there was the sense of a great issue at stake at Baltimore. One old gentleman who visited Sea Girt after the Convention compared the stand of the Liberals in the Convention to the handful at Thermopylæ; others compared their heroic determination to the struggle of Garibaldi and his troops. To the outside world it was plain that a great battle for the right was being waged at Baltimore, under the inspiration of a new leadership. At times it appeared that the raw Wilson recruits would have to surrender, that they could not withstand the smashing blows delivered by the trained army which the Conservatives had mobilized. But they stood firm, for there was in the ranks of the Liberal group in the Baltimore Convention an unconquerable spirit, akin to that of the Crusaders, and a leadership of ardent men who were convinced that they were fighting, not merely for a man but for a principle which this man symbolized.

Among these were men like W. G. McAdoo of New York, A. Mitchell Palmer, Joseph Guffey, and Vance McCormick of Pennsylvania, Senator "Billy" Hughes of New Jersey, and Angus McLean of North Carolina.

Although the Wilson forces were largely made up of "new" men, some of whom had never before been actively interested in politics, comparatively young men like McAdoo, Palmer, McCormick, McLean, Guffey, and old men like Judge Westcott of New Jersey, yet they were drawn to the light that had dawned in New Jersey and were eager and anxious to have that light of inspired leadership given to the nation. Judge Westcott fired the Convention with his eloquence and brought showers of applause when he quoted at length from a speech Mr. Wilson had made when president of Princeton, and for which he had been hissed, lampooned, and derided by the Princeton opposition. Judge Westcott said:

"Men are known by what they say and do. Men are known by those who hate them and those who oppose them. Many years ago the great executive of New Jersey said: 'No man is great who thinks himself so, and no man is good who does not strive to secure the happiness and comfort of others.' This is the secret of his life. This is, in the last analysis, the explanation of his power. Later, in his memorable effort to retain high scholarship and simple democracy in Princeton University, he declared: 'The great voice of America does not come from seats of

learning. It comes in a murmur from the hills and woods, and the farms and factories and the mills, rolling on and gaining volume until it comes to us from the homes of common men. Do these murmurs echo in the corridors of our universities? I have not heard them.' A clarion call to the spirit that now moves America. Still later he shouted: 'I will not cry peace so long as social injustice and political wrong exist in the state of New Jersey.' Here is the very soul of the silent revolution now solidifying sentiment and purpose in our common country."

Men in the Convention, overwhelmed with the emotion of the great hour and the vindication of the bold liberal, Woodrow Wilson, bowed their heads and sobbed aloud. The "amateurs" of that Convention had met the onslaughts of the Old Guard and had won, and thus was brought about, through their efforts, their courage, and their devotion, the dawn of a new day in the politics of the nation.

WILSON ANTICIPATES A CLASH WITH MEXICO

By President Woodrow Wilson

IN thus reviewing, on August 27, 1913, the deplorable state of affairs in Mexico, President Wilson personally addressed a joint session of the Senate and House of Representatives—a custom which differed from that of other Presidents, whose messages to Congress were read for them, not by them. General Huerta had been proclaimed Provisional President of Mexico by the rebel troops under his control, and was elected by a hastily assembled Congress. Coincidently, the deposed President Madero and Vice-President Suarez were killed while "attempting to escape."

Wilson refused to recognize Huerta, although Huerta was favorably disposed toward American investors in Mexico. This attitude bewildered European diplomats and angered important American interests. Huerta was forced to resign in favor of Carranza, whom Wilson supported, but Mexico remained distracted until American interference was necessary.

Those conditions touch us very nearly. Not merely because they lie at our very doors. That of

IT is clearly my duty to lay before you, very fully and without reservation, the facts concerning our present relations with the Republic of Mexico. The deplorable posture of affairs in Mexico I need not describe, but I deem it my duty to speak very frankly of what this Government has done and should seek to do in fulfillment of its obligation to Mexico herself, as a friend and neighbor, and to American citizens whose lives and vital interests are daily affected by the distressing conditions which now obtain beyond our southern border.

course makes us more vividly and more constantly conscious of them, and every instinct of neighborly interest and sympathy is aroused and quickened by them; but that is only one element in the determination of our duty. We are glad to call ourselves the friends of Mexico, and we shall, I hope, have many an occasion, in happier times as well as in these days of trouble and confusion, to show that our friendship is genuine and disinterested, capable of sacrifice and every generous manifestation. The peace, prosperity, and contentment of Mexico mean more, much more, to us than merely an enlarged field of our commerce and enterprise. They mean an enlargement of the field of self-government and the realization of the hopes and rights of a nation with whose best aspirations, so long suppressed and disappointed, we deeply sympathize. We shall yet prove to the Mexican people that we know how to serve them without first thinking how we shall serve ourselves.

But we are not the only friends of Mexico. The whole world desires her peace and progress; and the whole world is interested as never before. Mexico lies at last where all the world looks on. Central America is about to be touched by the great routes of the world's trade and intercourse running free from ocean to ocean at the Isthmus. The future has much in store for Mexico, as for all the States of Central America; but the best gifts can come to her only if she be ready and free to receive them and to enjoy them honorably. America in particular—America

north and south and upon both continents—waits upon the development of Mexico; and that development can be sound and lasting only if it be the product of a genuine freedom, a just and ordered government founded upon law. Only so can it be peaceful or fruitful of the benefits of peace. Mexico has a great and enviable future before her, if only she choose and attain the paths of honest constitutional government.

The present circumstances of the Republic, I deeply regret to say, do not seem to promise even the foundations of such a peace. We have waited many months, months full of peril and anxiety, for the conditions there to improve, and they have not improved. They have grown worse, rather. The territory in some sort controlled by the provisional authorities at Mexico City has grown smaller, not larger. The prospect of the pacification of the country, even by arms, has seemed to grow more and more remote; and its pacification by the authorities at the capital is evidently impossible by any other means than force. Difficulties more and more entangle those who claim to constitute the legitimate government of the Republic. They have not made good their claim in fact.

Their successes in the field have proved only temporary. War and disorder, devastation and confusion, seem to threaten to become the settled fortune of the distracted country. As friends we could wait no longer for a solution which every week seemed further away. It was our duty at least to volunteer our

good offices—to offer to assist, if we might, in effecting some arrangement which would bring relief and peace and set up a universally acknowledged political authority there.

Accordingly, I took the liberty of sending the Hon. John Lind, former Governor of Minnesota, as my personal spokesman and representative, to the City of Mexico, with the following instructions:

"Press very earnestly upon the attention of those who are now exercising authority or wielding influence in Mexico the following considerations and advice:

"The Government of the United States does not feel at liberty any longer to stand inactively by while it becomes daily more and more evident that no real progress is being made towards the establishment of a government at the City of Mexico which the country will obey and respect.

"The Government of the United States does not stand in the same case with the other great Governments of the world in respect of what is happening or what is likely to happen in Mexico. We offer our good offices, not only because of our genuine desire to play the part of a friend, but also because we are expected by the powers of the world to act as Mexico's nearest friend.

"We wish to act in these circumstances in the spirit of the most earnest and disinterested friendship. It is our purpose in whatever we do or propose in this per-

plexing and distressing situation not only to pay the most scrupulous regard to the sovereignty and independence of Mexico—that we take as a matter of course to which we are bound by every obligation of right and honor—but also to give every possible evidence that we act in the interest of Mexico alone, and not in the interest of any person or body of persons who may have personal or property claims in Mexico which they may feel that they have the right to press. We are seeking to counsel Mexico for her own good and in the interest of her own peace, and not for any other purpose whatever. The Government of the United States would deem itself discredited if it had any selfish or ulterior purpose in transactions where the peace, happiness, and prosperity of a whole people are involved. It is acting as its friendship for Mexico, not as any selfish interest, dictates.

"The present situation in Mexico is incompatible with the fulfillment of international obligations on the part of Mexico, with the civilized development of Mexico herself, and with the maintenance of tolerable political and economic conditions in Central America. It is upon no common occasion, therefore, that the United States offers her counsel and assistance. All America cries out for a settlement.

"A satisfactory settlement seems to us to be conditioned on—

"(a) An immediate cessation of fighting throughout Mexico, a definite armistice solemnly entered into and scrupulously observed;

“(b) Security given for an early and free election in which all will agree to take part:

“(c) The consent of Gen. Huerta to bind himself not to be a candidate for election as President of the Republic at this election; and

“(d) The agreement of all parties to abide by the results of the election and co-operate in the most loyal way in organizing and supporting the new administration.

“The Government of the United States will be glad to play any part in this settlement or in its carrying out which it can play honorably and consistently with international right. It pledges itself to recognize and in every way possible and proper to assist the administration chosen and set up in Mexico in the way and on the conditions suggested.

“Taking all the existing conditions into consideration, the Government of the United States can conceive of no reason sufficient to justify those who are now attempting to shape the policy or exercise the authority of Mexico in declining the offices of friendship thus offered. Can Mexico give the civilized world a satisfactory reason for rejecting our good offices? If Mexico can suggest any better way in which to show our friendship, serve the people of Mexico, and meet our international obligations, we are more than willing to consider the suggestion.”

Mr. Lind executed his delicate and difficult mission with singular tact, firmness, and good judgment, and

made clear to the authorities at the City of Mexico not only the purpose of his visit but also the spirit in which it had been undertaken. But the proposals he submitted were rejected, in a note the full text of which I take the liberty of laying before you.

I am led to believe that they were rejected partly because the authorities at Mexico City had been grossly misinformed and misled upon two points. They did not realize the spirit of the American people in this matter, their earnest friendliness and yet sober determination that some just solution be found for the Mexican difficulties; and they did not believe that the present administration spoke, through Mr. Lind, for the people of the United States. The effect of this unfortunate misunderstanding on their part is to leave them singularly isolated and without friends who can effectually aid them. So long as the misunderstanding continues we can only await the time of their awakening to a realization of the actual facts. We can not thrust our good offices upon them. The situation must be given a little more time to work itself out in the new circumstances; and I believe that only a little while will be necessary. For the circumstances are new. The rejection of our friendship makes them new and will inevitably bring its own alternations in the whole aspect of affairs. The actual situation of the authorities at Mexico City will presently be revealed.

Meanwhile, what is it our duty to do? Clearly, everything that we do must be rooted in patience and

done with calm and disinterested deliberation. Impatience on our part would be childish, and would be fraught with every risk of wrong and folly. We can afford to exercise the self-restraint of a really great nation which realizes its own strength and scorns to misuse it. It was our duty to offer our active assistance. It is now our duty to show what true neutrality will do to enable the people of Mexico to set their affairs in order again and wait for a further opportunity to offer our friendly counsels. The door is not closed against the resumption, either upon the initiative of Mexico or upon our own, of the effort to bring order out of the confusion by friendly co-operative action, should fortunate occasion offer.

While we wait the contest of the rival forces will undoubtedly for a little while be sharper than ever, just because it will be plain that an end must be made of the existing situation, and that very promptly; and with the increased activity of the contending factions will come, it is to be feared, increased danger to the noncombatants in Mexico as well as to those actually in the field of battle. The position of outsiders is always particularly trying and full of hazard where there is civil strife and a whole country is upset. We should earnestly urge all Americans to leave Mexico at once, and should assist them to get away in every way possible—not because we would mean to slacken in the least our efforts to safeguard their lives and their interests, but because it is imperative that they should take no unnecessary risks when it is

physically possible for them to leave the country. We should let every one who assumes to exercise authority in any part of Mexico know in the most unequivocal way that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall hold those responsible for their sufferings and losses to a definite reckoning. That can be and will be made plain beyond the possibility of a mis-understanding.

For the rest, I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1912, to see to it that neither side to the struggle now going on in Mexico receive any assistance from this side of the border. I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico—a policy suggested by several interesting precedents and certainly dictated by many manifest considerations of practical expediency. We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico, or constitute ourselves the virtual umpire between them.

I am happy to say that several of the great Governments of the world have given this Government their generous moral support in urging upon the provisional authorities at the City of Mexico the acceptance of our proffered good offices in the spirit in which they were made. We have not acted in this matter under the ordinary principles of international obligation.

All the world expects us in such circumstances to act as Mexico's nearest friend and intimate adviser. This is our immemorial relation towards her. There is nowhere any serious question that we have the moral right in the case or that we are acting in the interest of a fair settlement and of good government, not for the promotion of some selfish interest of our own. If further motive were necessary than our own good will towards a sister Republic and our own deep concern to see peace and order prevail in Central America, this consent of mankind to what we are attempting, this attitude of the great nations of the world towards what we may attempt in dealing with this distressed people at our doors, should make us feel the more solemnly bound to go to the utmost length of patience and forbearance in this painful and anxious business. The steady pressure of moral force will before many days break the barriers of pride and prejudice down, and we shall triumph as Mexico's friends, sooner than we could triumph as her enemies—and how much more handsomely, with how much higher and finer satisfactions of conscience and of honor!

A BANKING ACT TO END PANICS

By Senator Robert L. Owen

SENATOR OWEN, of Oklahoma, who wrote this able interpretation of the Federal Reserve Act of 1903 for the Rand-McNally "Bankers' Monthly," was chairman of the Committee on Banking and Currency, and managed the passage of the Federal Reserve Act and Farm Loan Act in the United States Senate. Before going to the Senate in 1907, he was an Oklahoma banker and United States Indian agent.

In this important reform of the national currency, which was enacted in the first year of the Wilson administration, the control of the money of the country was taken from private hands and placed in the Treasury Department. The country was divided into 12 banking districts and the reserves of those districts were placed in certain cities so as to better serve the needs of the whole country and, by relieving the nervous strain imposed primarily upon the New York banks—the reserve center under the old system—avert panics.

lish Act of 1849; but, because of the exigency and need of immediate currency, the ministerial powers gave a permit to use the printing press, and manufac-

MANY men have claimed to be the author of the Federal Reserve Act. The fact is, the Federal Reserve Act was born out of the experience of men. The principles of that Act were first put into effect, probably by Great Britain, in a panic immediately after the Civil War in 1866, when, by ministerial promise, the Bank of England, which, though owned by private stockholders, to all intents and purposes, is a governmental institution, was permitted to issue legal tender notes, against other securities than gold, in violation of the Eng-

ture legal tender notes against commercial bills. It abated the panic within twenty-four hours. Three times that has occurred in England.

The Great German Empire followed that experience, and gave authority by statute law to the Reischbank, to issue legal tender notes against commercial bills, of a certain qualified class, under a penalty of a 5 per cent interest charge, payable to the Government, and which would serve as a means for automatic retirement of those notes; and in that way they got protection against inflation.

The principle of the Federal Reserve Act, which is of great importance to this country, is the fact that commercial bills of a qualified class, can be used by the Federal Reserve Banks as a basis of issuing money to the business men of the United States. In the old days, under our laws, we concentrated the reserves of the banks of the country, first in forty odd reserve cities, then, in three central reserve cities; then, at last they were pyramided in New York, where the New York banks were compelled to rely upon each other, where those who wanted currency in the country relied upon New York to furnish that currency, and therefore, there was built up in New York the reliance on stocks and bonds, used as collateral for call loans, and these call loans went into the millions; and when any sudden demand came that alarmed the banks of the country, they had no remedy whatever, except to call upon the borrower to make good his call loan. The borrower under such circumstances had no

recourse, except to sell his securities upon a falling market.

Under conditions of that kind, we have been visited with a number of severe panics, the recent one being in 1907, and also in 1894 and 1893. These panics have swept this country. They have made the business men in this country tremble for fear, and have prevented tens of thousands, and hundreds of thousands of men from engaging in legitimate manufacturing business, in legitimate commerce, in other avenues, which would be well warranted, if there had been any stability in our financial system, any stability in the credit market.

Under the American system, men are compelled of necessity to extend credit, and do extend credit, and under such conditions where there is no stability in the credit market, it was easy to destroy confidence; and we have talked learnedly in the past about our troubles being due to loss of confidence, and have sometimes forgotten that the loss of confidence was unavoidable, because the banks of the country owed ten times as much money as the banks had in their vaults, and if 10 per cent of their depositors at any one time were to call for the payment of the deposits in cash, the banks would have nothing with which to transact current business, and to pay a check on a deposit.

It was no wonder that the banks of this country were in a state of continual trepidation, whenever there was a threat of a panic, or a disturbance of confidence. I believe for us that period is gone, and gone forever.

Under our present system, commercial bills can be used to issue money, Federal Reserve notes, they are not bank notes either. The banks of this country tried hard to make them bank notes. They are notes of the United States, with the taxing power behind them, and as good money as the world has ever seen, secured in cash by a credit of a man who takes his note to his local bank, and is worthy of a loan; secured, second, by the member bank that endorses that note; secured, third, by the Federal Reserve Bank that takes that note; secured, in fact, by all of the banks of this country who are members of that system, and secured by the stockholders of those banks, under the double liability clause; and finally, secured by the taxing power of the people of the United States. There never was in the history of the world a security of more stability and dignity.

But what has that to do with the investment banking business? It gives for the first time in this country, an assured stability in business. It brings into activity every human agency available in our country. It brings to employment every man willing to labor. It brings a condition, not of temporary prosperity, but of continued stable business prosperity in this country, which cannot be broken.

Any individual who indulges in unsound business methods, will of necessity go into a personal liquidation, as he merits; but, in the future, no man will have the ground cut from under his feet, by a sudden panic, such as swept over this country in October, 1907,

when nearly every bank from the Atlantic to the Pacific, closed its doors from Saturday to Monday night. The American people had the wit, even in that exigency to manufacture an artificial currency in the form of clearing house certificates; in the form of cashiered checks, pay checks; certificates of deposit, and numerous other forms which availed at the time, as a medium of currency; and the people of the country had the good sense to stand by the banks and not to demand the payment of their deposits in cash.

But the exigency will never arise again in this country, and you will find that those who deal in municipal securities will have a widening field, a more stable field—I call your attention to the stability of the interest rate, since the Federal Reserve Act went into effect, practically no fluctuation. In a few days the interest rate in New York went to 6 per cent.; but the rate is comparatively stable now, without the fluctuation of a single point, and the reason of that is perfectly plain—because those who have a right to ask credit; those who have a right to demand currency, can offer these proper securities and obtained the currency that they need, and when a man can get currency, and knows he can get currency—then he does not want it.

The United States is entering into a new era, and in my judgment the world is entering into a new era. Since the Federal Reserve Act went into effect, the bankers of this country have gained over six thousand

millions of dollars in deposits, and that is a sum so gigantic that the human imagination can hardly conceive it. It is a little difficult to ascertain where that line of deposits comes from. A part of it is undoubtedly due to money which was hoarded in this country, and which was gradually put back into employment under conditions that the holders of it believed they were safe in marching forth on. A part of it is due to drawing out of stockings of the cowardly depositor who was unwilling to trust the bank, some ninety odd millions of dollars through the postal savings system by which the Government puts itself behind the depositors and redeposits that fund with the bank. A part of it is due to the bringing into this country of European gold; but a very large part of it, in my opinion, is due to the extension of credit by the bankers of this country, which re-appear as deposits. So that in my judgment the Federal Reserve Act has a very far-reaching effect upon all business.

The stabilizing of finance and commerce and industry means that the public will become buyers of your securities in gradually increasing degrees to the extent of their means. It means that the spirit of confidence which has been established in this country will be useful to you in your field because it will enlarge your clientage, and enable you to place your securities in a constantly widening circle.

In writing the Federal Reserve Act infinite pains were taken to get the point of view of the bankers of this country. I, myself, spent days listening to the

arguments, personally and directly, with the leading bankers of the United States, in New York, Philadelphia, Chicago and St. Louis; and I invited their confidence, and I imposed upon them the duty of instructing me as far as possible, as Chairman of the Committee on Banking and Currency of the Senate. . . .

The rule of the few in this country is the only element of serious danger to our stability. It is the rule of the few in Europe where they made a mistake somewhere—we do not know just where, and it is not for us to say, but it is evident that the human brain fell down in the administration of government in Europe, and those people are at each other's throat destroying human life on a scale so gigantic as to make the entire world tremble with anxiety and fear. We have in this country a minority system, which is directly at variance with the fundamental principles upon which every one of our State governments was founded.

Every State government has in it, as a fundamental principle, the principle that the sovereignty resides in the people; and they have a right to alter, amend, or change that government whenever it fails to meet the requirements of giving protection to life, liberty and the pursuit of happiness. And yet we have only in a comparatively small degree written upon our statutes the mechanism by which that sovereignty shall be exercised without undue or sinister influence. In the Senate of the United States I could not pass a Corrupt

Practice Act because of the hostility of a few in that body; and the rules of the Senate adopted in 1806 which gives unlimited right of debate to any garrulous debater, or any man who is unwilling to allow a bill to pass.

It is minority rule, and it is bad minority rule. It should not be endured in a free Republic. The Senate of the United States should have the right by a majority vote to determine when it will dispose of any pending question. It has not that right now, under its own rules.

In the Federal Reserve Act you will find a preferential ballot system, and I call your attention to it as citizens of the United States, because I regard it as of fundamental national importance. The preferential ballot automatically coheres a majority, and no nomination can be made except by a majority, and no election can be made except by a majority, and an organized group of politicians on the inside of either party at present is able to dictate nominations by the plurality system dividing the majority of their own party first, and then dividing and conquering the unorganized rule of the others. And the politicians of both parties keep them from enjoying that privilege. This matter could only be understood by giving it attention; it can only be understood by giving it thoughtful attention; it can only be understood, thoroughly understood, by putting the microscope on it, and unless some man calls the attention of the country

to these principles, it will be longer delayed than it should be.

I call your attention to the fact that the Civil War in the United States was due to a defect of government in this country. We had a Constitution which was amendable; we had a Supreme Court which was not recallable; and the Dred Scott Decision was passed, nationalizing slavery, and we could not change the Decision, and we fought it out at the cannon's mouth as the only available political remedy. We should not let that recur to the United States, and I call your attention to the fact that we are face to face with a struggle between the interests of Organized Labor and Organized Capital in this country, and we have no mechanism that is adequate to thoroughly meet these differences if they arise upon Constitutional questions. . . .

Your interests are not affected by the Federal Reserve Act alone; your interests are also affected and will be affected by the other Acts which have passed relating to it indirectly. Your interests will be affected in a very important way by the Rural Credits Act, because the Rural Credits Act is going to bring forward the need of those who are cultivating the soil of America with those that have idle money to invest, and those bonds which will be issued, based upon landed estates, under the safeguard of Federal management, will cut a very important figure in enlarging your own field.

It will stimulate agriculture in this country and enable the people to buy a much larger volume than ever before. In Germany they say that the average wheat yield is 36 bushels an acre; in the United States it is between 12 and 14 bushels per acre. Our people do not use a sufficient amount of wisdom in tilling their soil; they do not use a proper kind or a proper quantity of artificial stimulants to the soil. The United States has now by Act proposed to spend \$15,-000,000 for making nitrates, and when the nitrates are not needed for the manufacture of powder they will be used for fertilizers. The United States by the Smith-Lever Act is sending a demonstrator of agriculture to every single county in the United States, and many counties are supplementing that work with their own funds.

We are teaching scientific agriculture; we are teaching scientific husbandry; we are teaching scientific horticulture; economics of the farm, too. Those things mean a greater purchasing power on the part of the people of the United States; it means a larger field for you, because of this larger purchasing power. I therefore commend your friendly interest on behalf of the Rural Credit System when these bonds are issued. I think you should take a friendly hand and place those bonds with the view to build up this country as a patriotic service and above all the service of building up America to make it what it should be; and incidentally you will serve your own interests thereby.

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